

AR54

Barrick

The background of the cover is a deep, dark orange to black gradient. A large, glowing, textured shape, resembling a mineral or rock formation, dominates the lower half of the image. This shape has a bright, yellow-orange glow along its edges and within its crevices, creating a sense of depth and heat. The overall aesthetic is industrial and mineral-focused.

Barrick Gold Corporation
Annual Report 1996

Barrick Gold Corporation entered gold mining in 1983 and now has reserves of over 51 million ounces. It remains the world's most profitable gold company and is the second-largest producer, with annual production of more than 3 million ounces. Barrick has 11 producing mines in the United States, Canada and Chile. It has two new mines in development which are expected to produce close to 1 million ounces annually. Barrick is the leading gold miner in most of the areas in which it operates.

All dollar amounts in this report are expressed in United States dollars, unless otherwise indicated.

| | | | |
|----|--|----|--|
| 2 | 1996 Performance Highlights | 51 | Consolidated Financial Statements and Notes |
| 4 | A Word to Our Shareholders | 65 | Management Responsibility Statement and Auditors' Report |
| 10 | Corporate Objectives and Strategies | 66 | Supplemental Information |
| 12 | Global Development Program | 68 | Mining Terms |
| 18 | Review of Operations | 70 | Shareholder Information |
| 32 | Corporate Responsibility | 72 | Board of Directors |
| 34 | Technology | 73 | Corporate Governance |
| 36 | Reserve, Operating and Financial Information by Mine | 74 | Officers |
| 42 | Management's Discussion and Analysis | | |

1996 has proven to be another milestone year.



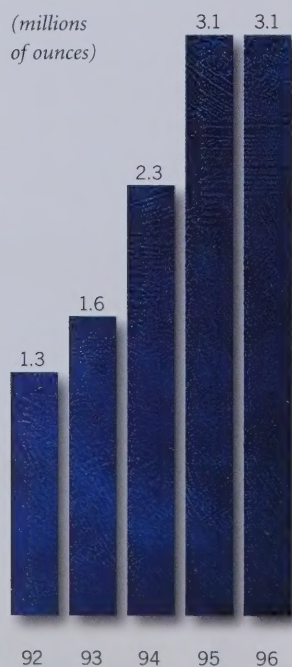
At no time since it was founded
has Barrick been in a better position
to create value for its shareholders.

Barrick has a clear, focused strategy
for growth, plus the people and the depth of financial
resources to implement it. Barrick's growth stresses
profitability for each ounce of gold produced, thus
enhancing the return on capital deployed.

| FINANCIAL HIGHLIGHTS <i>(millions of US dollars)</i> | 1996 | 1995 | % Change |
|---|-----------------|-------------|---------------------|
| Revenue from gold sales | \$ 1,299 | \$ 1,281 | |
| Net income | 218 | 292 | -25 |
| Operating cash flow | 463 | 502 | -8 |
| Cash | 245 | 284 | |
| Shareholders' equity | 3,501 | 2,948 | |
| Net income per share <i>(fully diluted)</i> | \$ 0.60 | \$ 0.82 | -27 |
| Dividends per share | 0.14 | 0.12 | +17 |
| OPERATIONAL HIGHLIGHTS | | | |
| Gold production <i>(thousands of ounces)</i> | 3,149 | 3,141 | |
| Cash operating costs per ounce | \$ 193 | \$ 180 | +7 |
| GOLD RESERVES AND MINERALIZATION <i>(thousands of ounces)</i> | | | |
| Reserves: proven and probable | 51,117 | 36,539 | +40 |
| Gold mineralized material | 24,914 | | |

Gold Production

(millions of ounces)



Net Income per Share

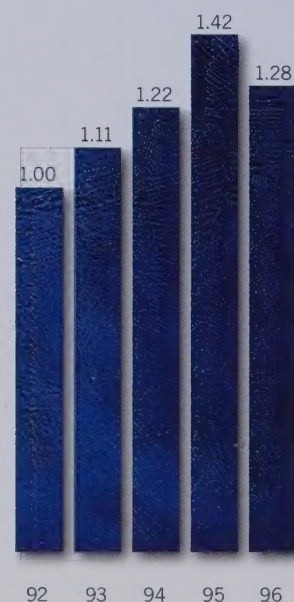
(US dollars)

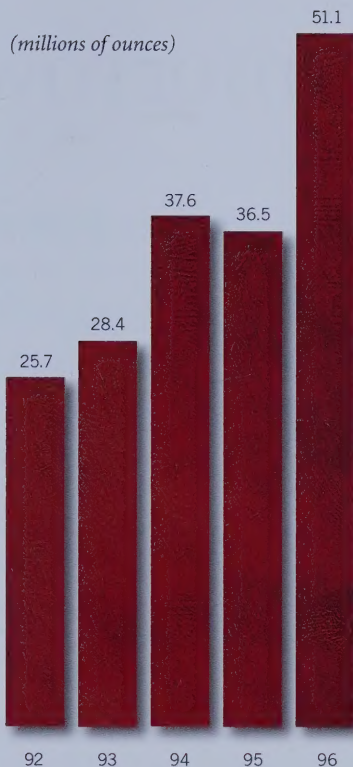


*after one-time charge

Operating Cash Flow per Share

(US dollars)





Reserves Increase 40%

A Position of Strength

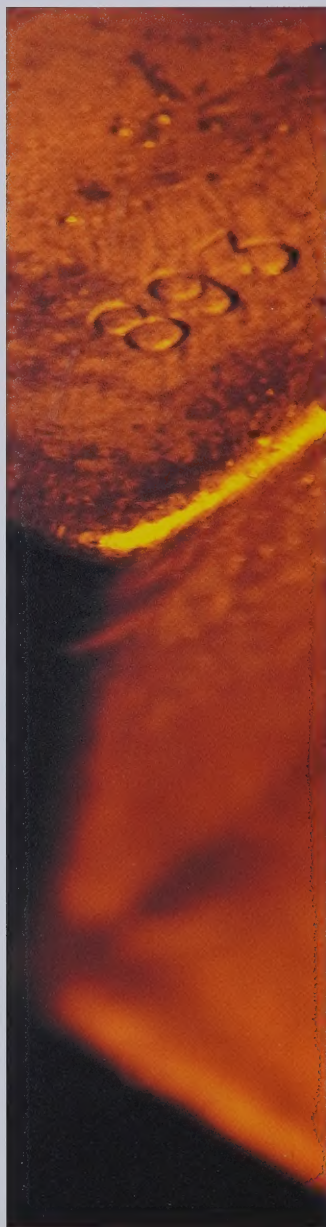
Proven and probable reserves rose to 51 million ounces, largest in the Americas.

Gold mineralized material reported for the first time, adding an additional 25 million ounces.

Gold production is expected to exceed 3 million ounces in each of the next two years, then to rise.

The lowest cost major producer, at \$193 an ounce versus western world average of \$269.

Building Tomorrow's Barrick



A Word to Our Shareholders

In 1996, Barrick again showed why it stands out among its peers – in performance, operations and development experience, technology, management, track record, and financial strength.

In 1996, we increased our reserves a dramatic 40%, to over 51 million ounces. We also identified 25 million ounces of additional resources. We maintained our ranking as the most profitable gold company in the world, generating net income of US\$218 million and operating cash flow of US\$463 million. No other gold company makes more money for its shareholders than Barrick does. This financial performance reflects the quality of our low-cost mining operations combined with sophisticated financial management that includes our unique hedging program.

In 1996, we produced 3.15 million ounces of gold, the second-highest production rate in the world. At US\$193 per ounce, our cash operating costs are one-third lower than the western world average of US\$269. On our 1996 gold sales, we realized a US\$27 an ounce premium over the spot gold price, or US\$84 million in additional revenue and more than US\$60 million in extra earnings.

In 1996, with the acquisition of Arequipa Resources Ltd., we acquired Pierina and 47 other promising new properties in Peru. We also opened the new Meikle Mine, the largest underground gold mine in the United States, on time and on budget. We also put two mines, Pierina and Pascua, into development mode.

In 1996, net income per share was US\$0.60, compared to US\$0.82 per share in 1995. This was due to a one-time US\$0.10 per share development charge taken on the Cerro Corona project in Peru, higher operating charges, and increased exploration and development expenses to fund our expansion.

In Indonesia, our discussions with Bre-X Minerals Ltd. and its partners did not culminate in an agreement. In the end, our firm adherence to the financial disciplines that have worked for us so well over the years led us to withdraw from this project. It was our conclusion that the kind of opportunity available to us would not be in the interests of our shareholders, nor would it be consistent with our established company policies. Barrick remains interested in Indonesia and will continue exploratory work on the significant land position that we have already assembled.

After a year such as 1996, I feel comfortable in assuring you that Barrick is in as good a position as ever to create value for shareholders. We have a clear and focused strategy for dynamic growth as well as the resources to implement it.

What is Tomorrow's Barrick?

Our goal is the same as it was the day we entered the gold business 14 years ago: to create value for our shareholders through tangible achievements. We plan to duplicate our North American success at the global level by adding quality reserves while maintaining our low operating costs.

We have a
clear and focused
strategy for
dynamic growth
as well as
the resources to
implement it.

From Camflo
to Mercur,
to Goldstrike,
to Lac and
now Arequipa,
Barrick has
established a
unique pattern
of acquisition
success in an
industry where
exploration has
been traditional.

How will we achieve this goal?

We are creating growth by integrating our acquisitions capability with our skill at exploration and development. In this complementary relationship, one component reinforces the other, making both more effective. South America provides two outstanding examples of the success of this approach. Our exploration work in Peru enabled us to recognize the potential at Pierina and make the Arequipa acquisition, while in Chile, our post-acquisition exploration at Pascua, the former Lac property, has increased reserves fivefold to 10 million ounces. Combined, Pascua and Pierina should add close to one million ounces of low-cost annual production by the year 2000.

From Camflo to Mercur Mine, to Goldstrike, to Lac Minerals in 1994 and Arequipa in 1996, Barrick has established a unique pattern of acquisition success in an industry where exploration had been the traditional way to grow. With each new acquisition we have added significantly to our gold reserves globally and per share issued. Our skills as mine developers and operators are key factors in our acquisition successes.

What resources do we bring to our task?

Barrick is highly entrepreneurial and performance-oriented, combining aggressive operations with conservative financial policies. The same drive, commitment, and enthusiasm that created the company exist at Barrick today. From head office to mine operations and exploration teams in the field, Barrick relies on

the teamwork and quick decision-making of our people. They have come to Barrick and they stay because we offer them the greatest challenges and rewards in the industry. One of our greatest assets is our habit of success.

Barrick people not only understand the value of the assets acquired; they also have the ability to maximize their potential. We have an exceptional record of bringing in new projects on schedule and on budget, time after time. For example, in September 1996, the major Meikle Mine opened as the largest underground mine in the United States. Discovered and built by Barrick people, it is one more confirmation of our ability to develop and operate the most efficient gold mines in the world, using and enhancing the right technologies to extract more gold, more profitably.

Finally, and most important: Barrick's financial capabilities constantly improve our performance and maximize returns for our shareholders. Strengths like hedging and financial structuring provide all the flexibility and leverage needed to undertake the most ambitious projects. Over the past two years, Barrick has generated close to US\$1 billion in cash flow. The Company has US\$500 million available under its US\$1-billion revolving credit facility, the largest cross-border credit facility ever put in place by a mining company. Barrick's debt-to-equity ratio is a low 0.18 to 1, even after the Arequipa acquisition. We have the best international credit rating of any gold company and highly liquid shares, giving us access to capital at its lowest cost.

Barrick's
financial
capabilities
constantly
improve our
performance
and maximize
returns for our
shareholders.

In 1983, we envisioned a company that would produce outstanding returns while safeguarding their exposure through highly disciplined financial practices. Today, our resources are much greater; our vision remains the same.

What lies ahead in 1997?

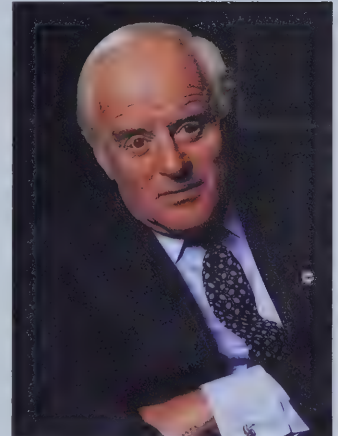
Despite some turbulence, I am bullish as to the basic trends of gold supply and demand. In the shorter term, a number of factors seem to be constraining gold price, such as a strong stock market, low inflation, a strong US dollar, and the threat of central bank selling. In the long term, however, demand is gaining momentum, for both demographic and economic reasons. The population of the western world is aging and accumulating assets, while people in other parts of the world are now beginning to experience the affluence already achieved in North America and Western Europe. Despite localized setbacks, the world as a whole is becoming a much wealthier place. As people and nations accumulate wealth, they become important new consumers of gold. This is a fundamental trend that I consider so important for gold.

Whatever the short-term price scenario, Barrick remains in an excellent position, thanks to our hedging program. Over the past nine years, our hedging program has yielded US\$500 million in extra revenues. At year end 1996, we had just over two years of production hedged. As a result, we expect to be delivering gold at about US\$420 an ounce in 1997, a premium of about US\$60 per ounce over the current price.

John K. Carrington will play an important role in helping us achieve our goals. Appointed President and Chief Operating Officer and a member of Barrick's Board of Directors, he is exceptionally well qualified to lead the Company's worldwide operations and mine development.

Robert M. Smith, our President since 1987, becomes Vice-Chairman as of this year and will focus on Barrick's strategy for growth. Bob has been my valued partner in building Barrick, and I am delighted that we will continue to benefit from his experience, industry knowledge, and sound judgment.

In 1983, when we created Barrick, we envisioned a company that would produce outstanding returns for our shareholders, while safeguarding their exposure through highly disciplined financial practices. Today, our resources are much greater and our world has grown much larger. Our vision remains the same.



A handwritten signature in blue ink, appearing to read 'Peter Munk'.

Peter Munk
Chairman

February 28, 1997

Beyond Expectations

Corporate Objectives

Each year, Barrick sets specific objectives and then measures its performance against those objectives. In 1996, the focus of the Company's objectives was long-term growth through global expansion. Here is how Barrick performed against its 1996 objectives and its goals for 1997.

Global Development

1996 Objective

Accelerate growth in its asset base through an entrepreneurial development program focused on acquiring multi-million ounce gold deposits.

1996 Performance

In August 1996, Barrick acquired Arequipa Resources, including the key Pierina deposit and 47 other early-stage properties throughout Peru. Pierina is now in the mine development stage and expected to contribute an additional 500,000 ounces of gold a year by 1999. Also in 1996, Barrick explored the possibility of becoming the operator at the huge Busang project in Indonesia. After a great deal of effort throughout the year, Barrick was unable to strike a deal that would have been consistent with those fundamental business principles that guide us and have served us so well in the past. Barrick has significant exploration land positions and remains very interested in Indonesia.

Reserves

1996 Objective

Increase reserves through exploration around existing properties

and through the acquisition of a solid portfolio of exploration properties. In 1996, Barrick will commit over \$100 million to exploration alone, half of it earmarked for new projects.

1996 Performance

Barrick increased its reserves by 40% to 51 million ounces of proven and probable reserves during 1996. This increase is directly tied to the Company's acquisition strategy with most of the new reserves resulting from Barrick exploration of the Pascua Property, acquired in 1994, and the Pierina Property, acquired in August 1996. At Pascua, reserves increased fivefold to 10 million ounces, while intensive drilling at Pierina allowed the Company to bring an initial 6.5 million ounces into reserves within four months of acquisition.

Production

1996 Objective

Produce 3.2 million ounces and increase profitability and cash flow from our mines. Provide a solid base in 1996 for production growth through the balance of the decade.

1996 Performance

Barrick maintained production at the same high level as 1995. Production will increase substantially

as new mines at Pascua and Pierina are brought on stream beginning in late 1999. In 1996, higher operating costs and increased exploration expense caused a reduction in profitability and cash flow. However, Barrick remains the world's most profitable gold company, with the strongest cash flow and the lowest production costs of any major gold producer.

Costs

1996 Objective

Implement a plan to reduce the Company's total operating costs by 10% over the next three years.

1996 Performance

Barrick recognized in 1995 that, while it is the industry's lowest-cost major producer, costs at some of its mining operations were forecast to increase over time. In keeping with its objective of maximizing profit per ounce, the Company introduced a long-term cost containment program. Its purpose is two-fold: to reduce costs where possible and to ensure in areas of rising costs that the increase is the very least possible. The plan is already showing tangible results.

In 1996, the Company's Canadian mines made excellent progress, while the mines in the United States as a whole kept cost increases to a minimum. The Chilean operations were faced with higher costs but programs were implemented to improve efficiency and performance.

People

1996 Objective

Continue to develop the Company's human resources, through the conviction – proven by past experience – that involved, well-treated employees will work with skill and extra dedication to achieve Barrick's goals.

1996 Performance

Barrick has cultivated a working environment that attracts the best people in the business. Through 1996, this world-class team achieved some outstanding successes. Among them were the acquisition of Arequipa Resources, a significant increase in reserves at Pascua, the opening of the Meikle Mine, a near doubling of production at the Holt-McDermott Mine, and the receipt of two environmental awards.

1997 Objectives

Growth in reserves

Barrick will continue to aggressively build its asset base through an effective program of acquisitions and exploration.

Growth in production

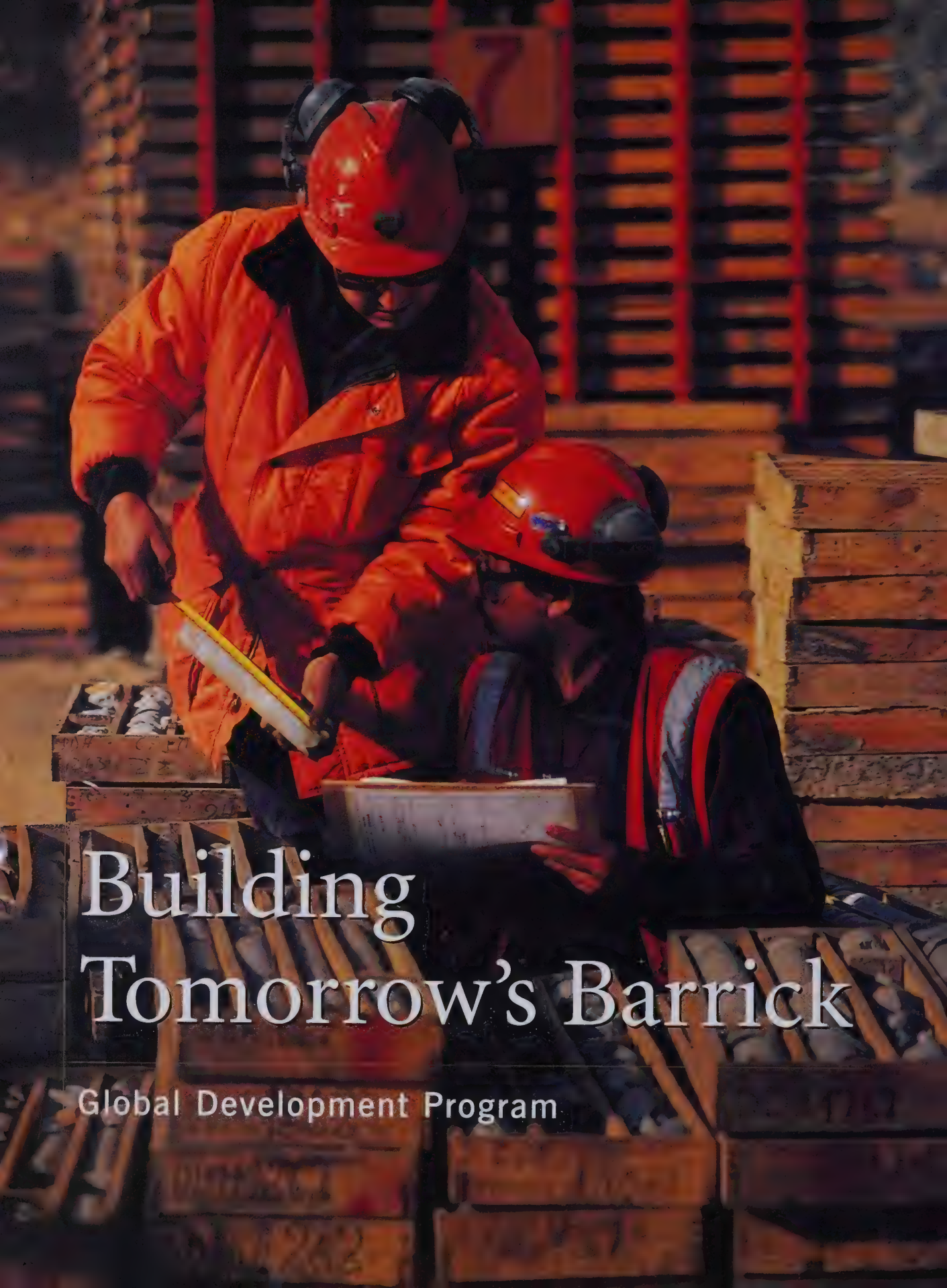
Barrick is committed to maintaining its 3-million ounce plus level of production and continuing with its development plans which will generate a significant increase in low-cost production by the end of the decade.

Growth in cash flow

Barrick aims to increase profitability and cash flow by improving operating margins through lower costs and a higher realized price from its gold hedging program.

Growth in employee expertise

Through ongoing motivation, caring and training, Barrick will enhance its employees' effectiveness and creativity.



Building Tomorrow's Barrick

Global Development Program

In assuring its future, Barrick must continue to build reserves and increase production – and do so in the focused, entrepreneurial, cost-effective way that has always marked its record of growth. The Company's development program is its continuing, and successful, response to this challenge.

The program is a powerful combination of two elements: acquisition and exploration. Barrick will continue to grow largely through its ability to acquire highly prospective, multi-million-ounce assets, and then use its exploration and development expertise to maximize their potential. Pure exploration is a vital part of the strategy as well. Barrick's on-the-ground presence in selected areas of the world provides the potential for discovering new deposits, as well as timely and knowledgeable assessment of acquisition opportunities.

The Company took major steps during 1996 to assure future growth. It acquired Arequipa Resources in August, announced

the development of the Pierina Mine as a result of this acquisition and increased reserves fivefold at the Pascua Mine. They are scheduled to enter production in 1999 and 2000, respectively, and will begin to have important impact on Company production at that time. During 1996, Barrick also added to its significant base of properties in its regions of geographic concentration.

THE PIERINA MINE PROJECT

Pierina has already shown itself to be a very exciting mine project. Upon acquisition in August, 70 holes had been drilled on the property. By year end, just four months later, the Company had drilled another 201 holes, brought an initial 6.5 million ounces of gold into reserves and identified a further 764,000 ounces of gold mineralized material.

This is a preliminary number and does not indicate Pierina's full potential. It is the result of a concentrated effort to quantify reserves during the initial drilling

Barrick has announced the Pierina Mine Project as a result of the Arequipa acquisition, and increased reserves fivefold at Pascua. These two mines illustrate the effectiveness of interrelating Barrick's acquisition and exploration programs.

period, rather than property-wide exploration. The drill program continues and the deposit is still open to the east and south.

Preliminary planning suggests this Mine will produce at an annual rate of 500,000 ounces of gold, beginning in late 1999. The early estimate of construction costs is \$200 million, and

operating costs are expected to be well under \$100 per ounce. This low figure is due in part to a credit from the significant silver mineralization in the deposit (which is not included in Company reserve or gold mineralized material calculations). A detailed feasibility study for the Mine is now underway.

THE PASCUA MINE PROJECT

During 1996, Barrick's exploration program at Pascua added 8.1 million ounces to reserves, for a deposit total of over 10 million ounces. In addition, there are 6.7 million ounces of gold mineralized material. The Pascua deposit is still open at depth and to the east and south. Work



Identifying Opportunities Worldwide

Pure exploration is focused on selected regions of four continents. It targets deposits with at least 3–4 million ounces, the potential for expansion, and the ability to provide substantial financial returns.

is continuing on a tunnel through the lower portion of the deposit to explore the deposit's potential. Over 1,800 metres have been completed in the tunnel thus far. Results confirm the extension of the ore to depth as well as the continuity and tenor of the ore between drill holes. Work is now underway from an old adit another 300 metres below this tunnel, which also indicates that the deposit extends to this level. Approximately \$11 million will be spent in 1997 to expand reserves at Pascua.

Pascua is planned to be developed as an 18,000 tonnes-per-day mill, to produce an average of 400,000 ounces of gold a year for a minimum of 20 years. Capital costs are expected to be in the \$500-million range for the initial project to handle the oxide material. In subsequent years, when sulphide material becomes available, the plant will be expanded to include a 10,000 tonnes-per-day parallel sulphide processing circuit. As well, a separate heap leach circuit for the low-grade material is being considered. Cash operating costs are now anticipated to be about \$220 an ounce.



Workers guide a drill during night operations at the Pierina Mine. Within four months of the Arequipa acquisition, Barrick drilled 201 holes to bring an initial 6.5 million ounces of gold into reserves.

Exploration on Existing Properties

This year, for the first time, Barrick is reporting a gold mineralized material category in addition to proven and probable reserves, which allows the Company to provide an indication of the work being done to increase reserves on its properties. Barrick enters 1997 with 25 million ounces of gold mineralization in addition to its 51 million ounces of reserves – a strong indication of the considerable potential yet to be realized on its existing assets.

Of this mineralization total, 11.6 million ounces are on the

Goldstrike Property, 9.7 million on the El Indio Belt in Chile and another 2.7 million at the Canadian operations. During 1997, the Company will spend over \$50 million on exploration to delineate this mineralized material more fully in order to increase the Company's reserves. It will also look for other areas of interest in and around existing properties. (Information about specific programs is contained in the mine descriptions in the Operations section of this report.)

Pure Exploration

Barrick continues to strengthen its longer-term exploration



At Pascua, 1996 drilling added 8.1 million ounces to reserves, for a total of over 10 million ounces, and identified 6.7 million ounces of gold mineralized material.

programs in North and South America (notably Peru, Argentina and Chile) and Indonesia.

In December 1995, Barrick acquired a 40% interest in the Newmont/Barrick HD Venture (formerly High Desert), a prospective property adjacent to Goldstrike on the Carlin Trend. Newmont Gold Company, with 60% ownership, is project operator. Three significant mineralized zones have been discovered to date, and the 1996 drill program allowed Barrick to include 1.2 million ounces in reserves at year end as its 40% share. These reserves are at West Leeville and Four Corners.

In Peru, Barrick acquired the right in August to explore and mine the Quicay gold project, with mineralization of one million ounces. An initial 6,000-metre drilling program is underway. Quicay appears to have the same geological signature as Pierina.

In addition to Pierina, the Arequipa purchase brought Barrick 47 early-stage properties throughout Peru, totalling 180,000 hectares. A number of these properties are located on the Pierina Gold Belt. Barrick now has field work underway on some of these properties.

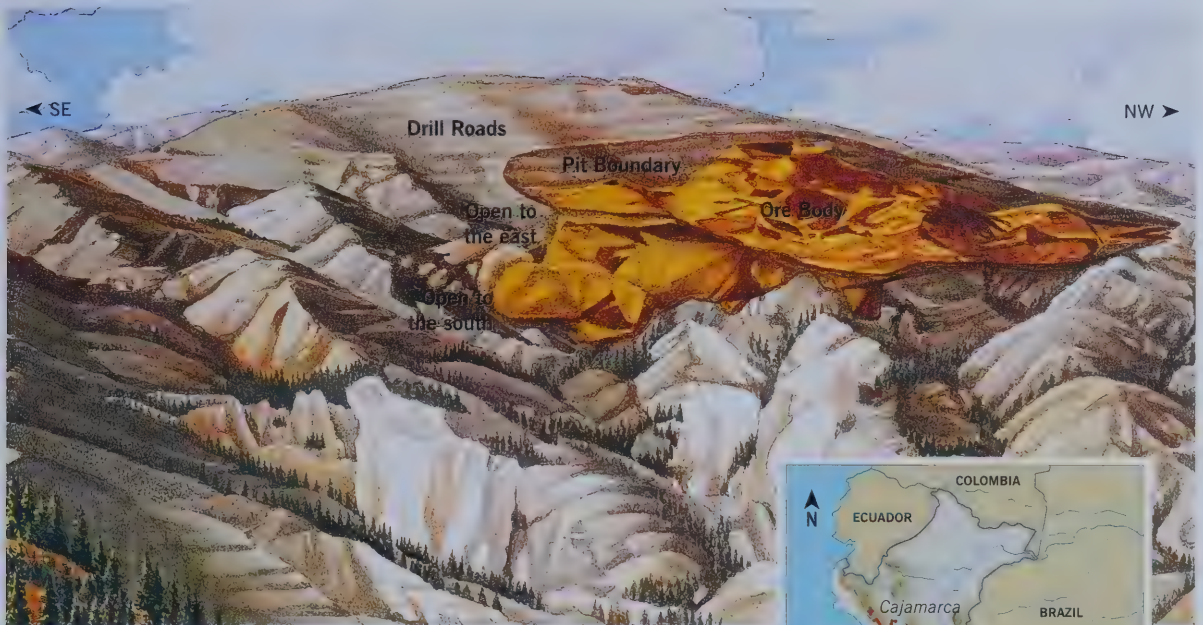
Barrick completed a feasibility study on the Cerro Corona Project based on extensive drilling that

identified a significant gold/copper resource. However, Barrick decided not to proceed further with the Cerro Corona project, since it did not meet Company criteria for return on investment.

In Argentina, an 8,000-metre drill program on the Diablillos Property continues to meet with encouraging results. Work is underway to increase the resource at the Oculito Zone.

In Indonesia, where Barrick has a land position of 8.8 million hectares, mapping and sampling are underway on the Woyla Property in northern Sumatra, on the Masupa Ria and Yamana projects in Kalimantan and on several Irian Jaya properties as well. Drilling will commence in 1997 on both Woyla and Masupa Ria.

The Company spent \$139 million on exploration in 1996 and an additional \$20 million on equity investments in junior gold exploration companies. The 1997 budget is \$100 million, divided equally between existing operations and new projects. With its healthy and strong balance sheet, Barrick is both well positioned to meet these commitments and seize any attractive acquisition opportunities that may arise.



Mines in Development

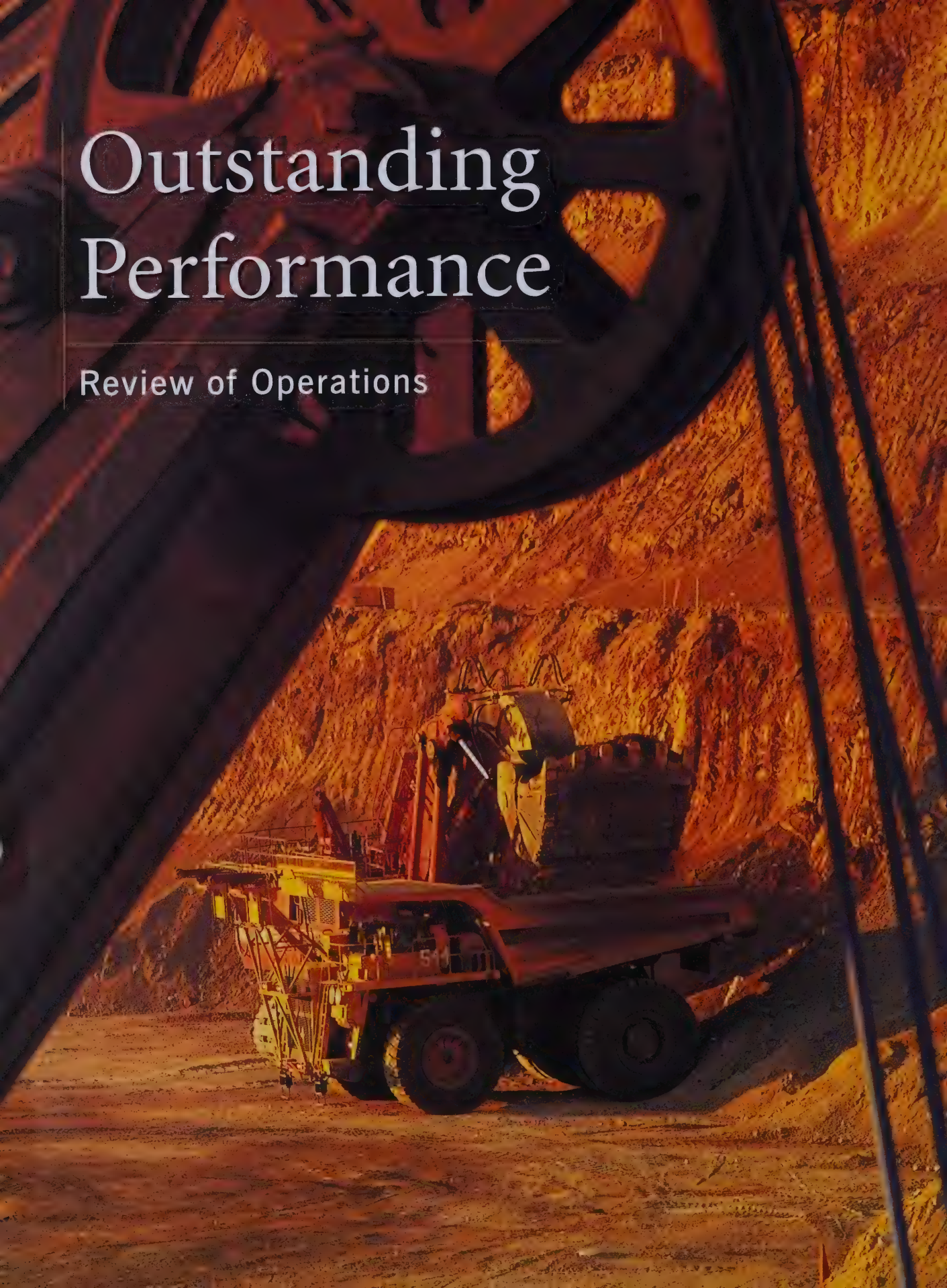
Above: Pierina will produce an estimated 500,000 ounces of gold a year, beginning in late 1999. The deposit is still open.

Below: Pascua is expected to produce 400,000 ounces of gold a year. The deposit is open both at depth and to the east and south.



Outstanding Performance

Review of Operations



Two key aspects in “Building Tomorrow’s Barrick” are keeping our mines running efficiently and costs low. Barrick has a proven ability of extracting the most value from its mines at the best cost, while meeting strict development timetables and high environmental and safety standards. These operational capabilities have helped to generate consistently strong earnings and cash flows, and produced a track record that has created the kind of returns our shareholders expect. The key is not simply to find and mine gold, but to produce “quality” – or low-cost – ounces.

We did this in 1996 by producing over 3 million ounces of gold, while remaining the lowest-cost major gold producer. Although we did not achieve low costs uniformly throughout our operations, we did, however, make productivity improvements that should help us achieve our goal

of lowering costs, particularly in our South American operations.

At the Goldstrike Property, we produced over 2 million ounces and more than replaced reserves. In September, we commissioned the high-grade Meikle Mine – the largest underground gold mine in the U.S. – on schedule and on budget. Meikle will allow us to produce 2 million ounces a year from the Goldstrike Property into the next century.

Our Canadian operations produced over 500,000 ounces. We are now pleased with these operations: costs are in line and the mines are performing well.

In Chile, while our production and costs did not meet our targets, we expect that these mines will soon meet our criteria.

In 1997, we expect again to produce more than 3 million ounces of gold, while reducing our costs below our already low average of \$193 an ounce.

A key objective
as we grow
is to continue
to produce
quality ounces
– that is, low-
cost ounces.



John Carrington

John Carrington
President and
Chief Operating Officer

| OPERATING DATA | 1996 | 1995 |
|----------------------------------|-----------|-----------|
| Gold production (ounces) | 3,148,801 | 3,140,507 |
| Gold sold (ounces) | 3,128,941 | 3,156,419 |
| Cash operating costs (per ounce) | \$ 193 | \$ 180 |

◀ Large-scale equipment at Betze-Post moves 150 million tons of material a year.

United States

Goldstrike Property Betze-Post and Meikle Mines

It was another landmark year for the 7,000-acre Goldstrike Property, located on the Carlin Trend in north-central Nevada. Not only was a second mine opened but additional reserves were discovered that more than replaced the ounces mined from the Betze-Post Mine in 1996.

Barrick has spent over \$1.3 billion to construct one of the world's largest and most technologically advanced mining and processing facilities at Goldstrike.

Goldstrike has produced over 10 million ounces of gold to date and has current reserves of 29.7 million ounces, the single largest gold reserve in the United States. The Betze-Post Mine contains 23.6 million ounces of the reserves while the adjacent Meikle Mine contains 6.1 million ounces. As well, a further 11.6 million ounces of gold mineralized material have been identified on the Property.

The Goldstrike Property holds 58% of Barrick's total reserves and 46% of its gold mineralization. Over 2 million ounces of gold are produced annually at the Property, representing 64% of Barrick's annual production and

one-third of the gold mined in Nevada.

With the opening of the Meikle Mine, the Goldstrike process facility is now handling ore from the Meikle and Betze-Post Mines at a nominal rate of 2,000 and 15,500 tons per day, respectively. Meikle production will be given preference in the process facility over Betze-Post ore because of its higher grade, 0.72 ounces per ton compared with a reserve grade of 0.19 ounces per ton at Betze-Post. This means that production from the Goldstrike Property will continue at a rate of more than 2 million ounces a year through the end of the decade. Cash operating costs per ounce for the Property are expected to average just over \$160 due to the lower cost production from Meikle Mine.

The Goldstrike processing facility consists of a mill and six autoclaves, handling 17,500 tons per day of refractory ore. There are two grinding circuits, each composed of semi-autogenous grinding (SAG) and ball mills. In 1996, Barrick installed two variable-speed drives for the SAG mills at a cost of \$9 million to handle harder Meikle ore which requires a finer grind for optimum gold recovery.



The Goldstrike Property, looking north from the processing facilities to the Betze-Post pit, middle left, and the Meikle Mine, upper right. The Property produces two million ounces of gold a year from these two mines.

To improve recoveries from the refractory ore, which represents the major part of the Goldstrike ores, Barrick installed the largest pressure oxidation or autoclaving facility for gold in the world. Autoclaving improves gold recovery from less than 30% to more than 90% after oxidation. (The process is described more fully in the Technology section of this report on page 34.) A small amount of oxide ore is treated on heap leach pads.

After the year 2000, significant amounts of carbonaceous/sulphide ores will begin to be mined at Goldstrike. Barrick is considering a number of options for processing this ore, which requires another step to neutralize its carbonaceous content in order to achieve the best gold recoveries. One possibility is the traditional method of roasting while another is Barrick's new patented ammonium thiosulphate process. A decision on the most cost-effective way to process this ore will be made by mid-1997, so that processing facilities can be in place by 2000.

Reserves, Gold Mineralized Material and Exploration

A \$12.8-million exploration program resulted in 160 deep drill

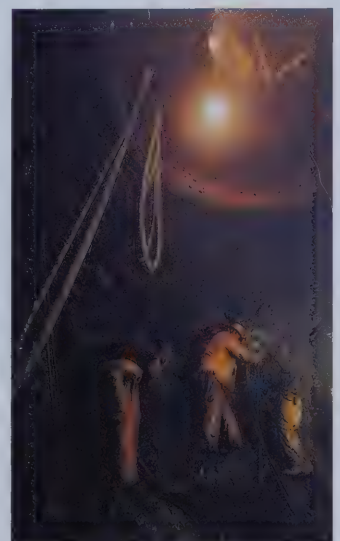
holes and 265,000 feet of drilling during the year. Proven and probable reserves increased by 997,000 ounces on the Goldstrike Property – after producing 2.3 million contained ounces – to 29.7 million ounces. The additions to reserves were mainly in the Screamer area and are essentially extensions of the Betze-Post ore body. They will be mined by future expansion of the existing pit.

An additional 11.6 million ounces of gold mineralized material have been identified on the Property, the majority of which are peripheral to the final Betze-Post/Screamer pit plan. The balance of this mineralization is within the Rodeo deposit, lying between Betze-Post and Meikle. An exploration shaft has been collared and sinking will begin this year to permit underground exploration of this mineralized area.

For 1997, a \$10-million drilling budget has been allocated for the Goldstrike Property. It will concentrate on the Screamer, North Betze and West Betze areas of the pit to further delineate reserves for the Betze-Post Mine, as well as on exploration drilling throughout the property, including underground at the Meikle Mine.

Rodeo Shaft Sinking

Approximately 4,000 feet south of Meikle, construction has begun on the \$18-million Rodeo exploration shaft. The Rodeo deposit was surface-tested with 62 diamond drill holes prior to the decision to proceed with the shaft. The shaft will have a 16-foot diameter and be sunk to a depth of 1,350 feet. It has been collared and sinking will begin in August 1997. When completed, this shaft will provide access for underground delineation drilling of the Rodeo deposit in 1998 and 1999.



Capital Expenditures

In 1996, \$123 million was spent at the Goldstrike Property, of which \$62 million was spent at the Betze-Post Mine and \$61 million at the Meikle Mine. In 1997, \$113 million is budgeted.

BETZE-POST MINE

The Betze-Post Mine is a conventional open pit shovel and truck operation, using large-scale equipment to extract about 150 million tons of ore and waste per year.

In 1996, the Mine produced 1.9 million ounces of gold at an average cash operating cost of \$162 per ounce. The grade of the ore processed was 0.353 ounces of gold per ton and recovery was 90%. In 1997, cash operating costs for Betze-Post ore are expected to rise to \$175 per ounce, largely because grade processed will be 0.31 ounces of gold per ton.

Mining

Since Barrick announced the Betze Development Plan in 1989, more than one billion tons of material have been moved from the pit. Production emphasis has shifted from the shallow oxide ores to the deeper, higher-grade sulphide ores, which were first reached in September 1992. Since

that time, mining has taken place through a series of progressive push-back mining cuts. Under the Betze-Post Joint Operating Agreement, signed in 1992, Barrick, as the operator, also mines material from contiguous deposits owned by Newmont Gold Company. Newmont processes all its own ore.

Betze-Post has invested \$160 million in its mine equipment fleet. Each of the Mine's 72 190-ton haul trucks costs \$1.6 million while the four electric, 42-cubic yard shovels cost \$7 million each. The Mine also has two new 210-ton haul trucks. Truck fleet productivity is important, as transportation costs represent 49% of the Mine's operating costs. Two projects – Truck Dispatch and Trolley Assist – have significantly reduced transportation expenses and enhanced mine efficiency (see the Technology section on page 34 of this report). A 300-ton-capacity truck is currently being tested, which should result in even greater productivity.

Since most of the Betze-Post ore lies below the original water table, the Mine has installed extensive systems to manage water levels at its sites. In 1996, Barrick reached an important agreement with Newmont

Mining Company for the construction of a water discharge and treatment facility on Newmont land. Engineering, permitting and construction are underway for the facility, which will allow the discharge of water into the Humboldt River system. On completion later this year, Barrick will be able to increase its pumping rate, which will allow for deeper development of both Meikle and Betze-Post.

Capital Expenditures

In 1996, \$62 million – before applied stripping – was spent on capital projects at the Betze-Post Mine, primarily for mining equipment, water management facilities in Boulder Valley, and the variable speed drives at the processing facility. In 1997, \$88 million is budgeted, principally for the construction of the water discharge and treatment facility, as well as for mining equipment.

MEIKLE MINE

The Meikle Mine, located one mile north of the Betze-Post Mine, is a compact, high-grade underground deposit which is producing about 2,000 tons of ore per day. Meikle began production in September 1996. The Mine produced just under 80,000

ounces in 1996' at an average cash operating cost of \$142 per ounce. In 1997, Meikle is expected to produce 435,000 ounces at the low cost of \$125 per ounce, making it the largest underground gold mine in production in the United States.

Reserves, Gold Mineralized Material and Exploration

The Meikle Mine has 6.1 million ounces of reserves, grading 0.716 ounces of gold per ton. In addition, about 1 million ounces of gold mineralized material of similar grade have also been identified. More than 150,000 feet of underground definition drilling was carried out in 1996 to better define the geometry of the upper main zone of the ore body. This drilling, which was completed at a cost of \$4.3 million, confirmed reserves in the area, and facilitated detailed stope planning for the next two years of production. In 1997, Barrick will continue to explore the deposit from underground, which could lead to higher reserves as there is excellent unexplored potential.

Mining

The Mine has two shafts: an 18-foot-diameter, 1,480-foot production and service shaft, and a 16-foot-diameter, 1,320-foot

ventilation shaft. In 1996, 27,000 feet of underground development were completed, comprising the first phase of mine development including drifts to the ore body.

The ore body has two zones: an upper flat-lying zone, which will be mined first, and a deeper, steep zone, which contains the bulk of the ore.

Two different mining methods are being used: long-hole open stoping for about 75% of the ore reserves; and underhand drift-and-fill for the remainder, primarily in areas of thinner and flat-lying mineralization. These two methods permit a conservative, yet flexible approach to mining the ore body under

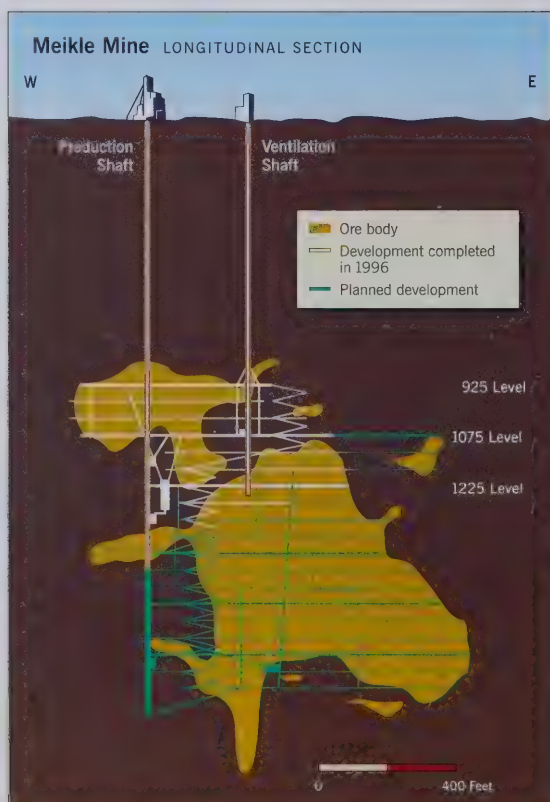
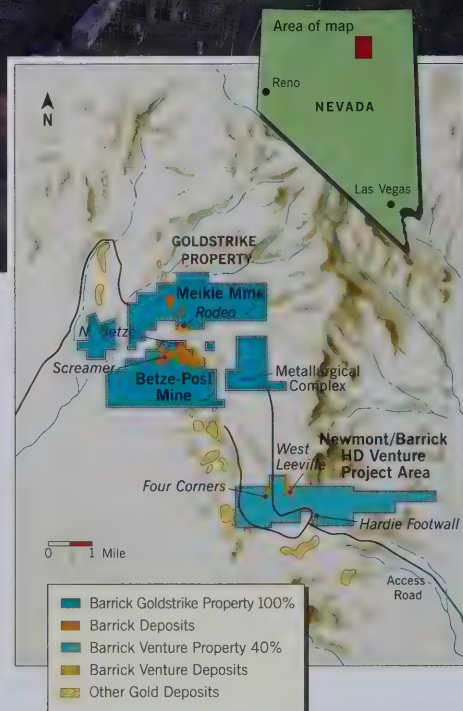
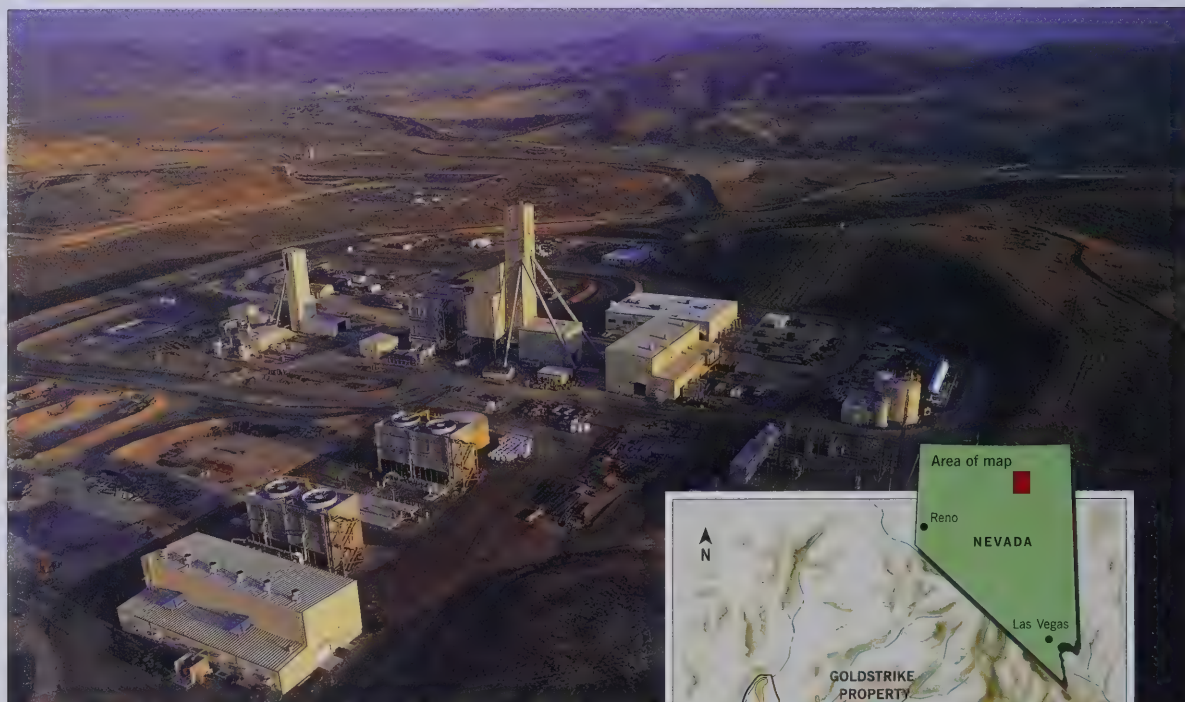
a variety of ground conditions. Both methods require a high-quality cemented rockfill using crushed and sized aggregate.

Underground production facilities, such as the backfill batch plant, the crusher and the shops, have been commissioned. The water table has been lowered to accommodate the first phase of mine development. Further lowering of the water table will occur when the discharge facilities to the Humboldt River are completed at the Betze-Post Mine.

Because of high temperatures underground, the largest mine refrigeration system in North America, with a plant cooling



At Meikle, an electric hydraulic jumbo prepares to drill a round for blasting in a development drift. Drifting comprised the majority of the activity in the 1996 development program. In 1997, development emphasis will change to stope preparation.



The Meikle Mine

Above: Meikle's surface facilities include ventilation and production headframes and a refrigeration plant for underground cooling, the largest in North America.

Left: In 1997, Barrick will continue to explore the deposit from underground, which could lead to higher reserves as there is excellent unexplored potential.

capacity of 10 megawatts, was put into operation in mid-1996.

The economics of the Meikle Mine are especially attractive, not only because of the high grade nature of the ore body, but also because of the use of existing processing facilities on the Goldstrike Property. Meikle ore is hauled by the Betze-Post fleet of 190-ton trucks to these processing facilities.

Capital expenditures

The Mine was developed on time and at a budgeted cost of \$186 million, or about \$30 per ounce. About \$25 million will be spent in 1997 on underground development and the shaft sinking at Rodeo. Exploration work will continue as part of the \$10 million budgeted for the Property.

BULLFROG MINE

The Bullfrog Mine is an open pit and underground gold mine, located in the historic Bullfrog mining district, about 125 miles northwest of Las Vegas, Nevada. The Mine has 628,000 ounces of reserves, grading 0.062 ounces of gold per ton, and an additional 147,000 ounces of gold mineralized material, grading 0.04 ounces per ton.

The original Bullfrog open pit was mined out by the end of 1994. More recently, open pit ore has come from two smaller satellite pits, Montgomery-Shoshone and Bonanza Mountain, the latter of which was mined out in 1996. The principal operations are now underground, with access from three portals located within the completed Bullfrog pit. The underground operation produced at a rate of 1,480 tons per day in 1996. In 1996, production increased 15% to 205,268 ounces at a cash operating cost of \$281 per ounce. The 1997 production target is 179,000 ounces at a cost of about \$295 per ounce; this lower production and higher costs are attributable to a greater reliance on lower grade stockpiled ore in 1997.

A \$600,000 exploration program is planned in 1997 to focus on developing and drilling for Bullfrog-style deposits within and peripheral to the district. Bullfrog continues to control all the prospective ground in the district.

MERCUR MINE

Located 35 miles southwest of Salt Lake City in Utah, the Mercur Mine is one of the earliest mines acquired by Barrick. It has

202,000 ounces of reserves contained in the pit and Golden Gate tailings, at an average grade of 0.054 ounces of gold per ton. The open pit ore reserves will be depleted in early 1997, and mining operations will end. Mill processing of the tailings from previous mining operations will continue into late 1998, after which the mill will close. Leach areas and waste dumps are currently being reclaimed.

In 1996, Mercur produced 82,593 ounces of gold at an average cost of \$313 per ounce. In 1997, Mercur is expected to produce 58,000 ounces at approximately the same cost because of mine department shutdown and associated costs that will not be incurred.

PINSON MINE

Barrick increased its equity interest in the Pinson lands in Nevada to 50% from 26.25% in December 1996. Pinson, located 200 miles northeast of Reno, Nevada, is owned as a joint venture interest with Homestake Mining Company, which is the operator of the existing mine. This property has excellent deep exploration potential under the Pinson and Preble deposits.

Pinson Mine has produced about one million ounces of gold over its life. It has been operating at a rate of 50,000 ounces of gold per year over the past five years. Barrick's share of 1997 production will be 21,000 ounces. Barrick's share of remaining reserves is 92,000 ounces.

Canada

Abitibi Belt

The Abitibi Belt has been the richest gold belt in Canada for more than 75 years. Barrick operates three mines along this Belt – the Bousquet Mine and the neighbouring Doyon Mine in Quebec and the Holt-McDermott Mine in Ontario. A fourth mine, Golden Patricia, is located in northwestern Ontario.

BOUSQUET MINE

The Bousquet Mine is located between the cities of Val d'Or and Rouyn-Noranda in northwestern Quebec. The original Bousquet Mine began production in July 1979. In 1986, exploration on the eastern side of the property led to development of what was to become Bousquet 2, which opened in 1989. In 1995, a reassessment of the original

Bousquet Mine was undertaken because of difficult ground conditions, high dilution and mining sequence problems. Barrick decided to shut down Bousquet 1 and to mine its remaining economic reserves through the Bousquet 2 shaft. The two mines were successfully consolidated in September 1996.

The Mine has 1.1 million ounces of reserves, grading 0.25 ounces of gold per ton. An additional one million ounces of gold mineralized material, grading 0.186 ounces of gold per ton, have been identified. In 1996, exploration of a zone between Bousquet 1 and 2 was followed by a feasibility study. Development work to bring this zone into production by 1999 was started in November 1996. There is also further potential to increase reserves at depth and between the two mines. In late 1996, a separate exploration program was begun, which will continue through 1997, on a property acquired to the west of Bousquet 1.

Bousquet is a trackless mining operation, where most production levels are connected by an internal ramp. Two mining methods are being used: modified open stoping with delayed backfill in the massive ore, and a longitudinal

"Eureka" mining method – a Bousquet development variant of the Avoca sub-level retreat mining method – for ore widths of less than 5 metres. The 2,750-tonnes-per-day Est-Malartic Mill, 37 kilometres away, processes Bousquet's gold-copper sulphide ore.

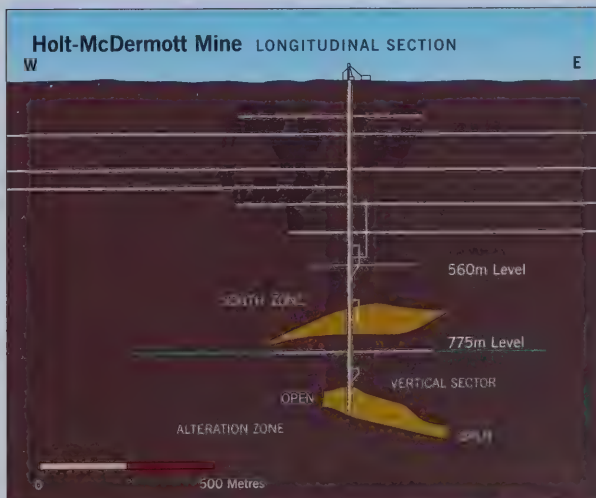
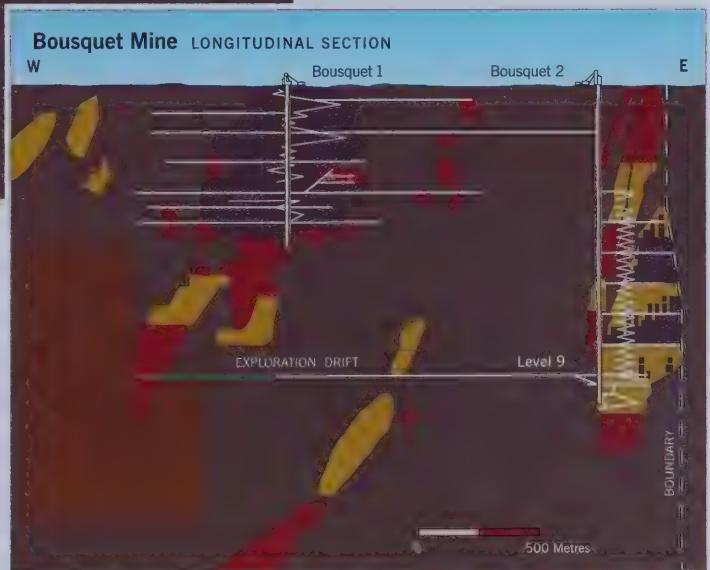
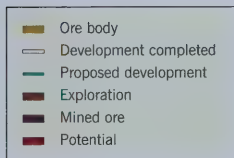
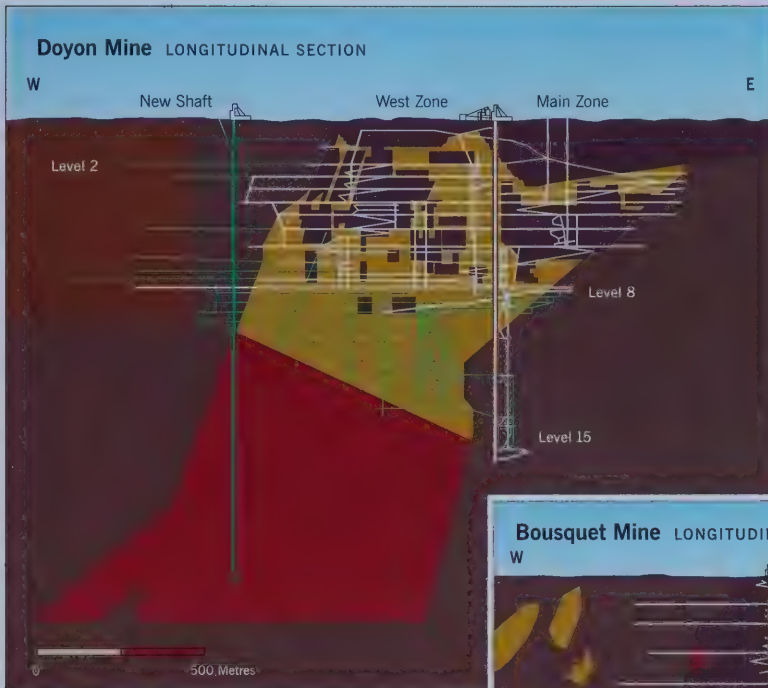
Total 1997 capital expenditures are estimated to be \$5.5 million for underground development, compared with the \$6.9 million spent in 1996.

DOYON MINE

The Doyon Mine is an underground mine, located eight kilometres west of the Bousquet Mine. Barrick operates the mine, which is a 50/50 joint venture with Cambior Inc.

Doyon began production as an open pit mine in 1980 and became a totally underground operation in 1985. Barrick's share of 1996 production was 104,495 ounces of gold at a cash operating cost per ounce of \$218. The Company's share of expected 1997 production is 110,000 ounces at a cash operating cost of just over \$200 per ounce.

Barrick's share of reserves is 948,000 ounces, grading 0.168 ounces of gold per ton. As well, the Company's share of gold mineralized material is 827,000



Canadian Mines

Above: At Doyon, the new zone below the 8th level will come into production in late 1997. Development is underway on a new zone between Bousquet 1 and 2 for production by 1999.

Left: Holt-McDermott's South Zone still has significant potential to increase reserves.



Miners prepare underground production drilling rig for stope development at Doyon.

ounces, grading 0.165 ounces of gold per ton. There is excellent opportunity to increase reserves. The Company is planning to sink a new ventilation shaft to the west of the existing shaft at Doyon, which will also be used to explore the Mine at depth and to the west. If the exploration program is successful, this shaft could also be used for production.

Exploration drilling three years ago determined there were sufficient reserves below the 8th level to justify deepening the existing shaft. This work was completed in March 1996 and now lateral development is proceeding on levels 12 and 14 to prepare this new sector for mine production in December 1997. The main ramp is being driven

from the 8th level to the 10th level, where the key mine workings have been developed.

Doyon is a highly mechanized mine, using cost-effective bulk mining methods such as transverse mining in the Main Zone, bulk mining in the West Zone and conventional long-hole and shrinkage stoping in narrower veins. A new backfill plant in the West Zone and a new fully automated loading pocket on the 10th level will improve mining operations in 1997. The mill, which uses a carbon-in-pulp process, has a capacity of 3,300 tonnes per day.

Barrick's share of capital expenditures in 1997 will be \$11 million for underground development, compared with \$8 million in 1996.

HOLT-McDERMOTT MINE

The Holt-McDermott Mine is located about 50 kilometres northeast of Kirkland Lake, in northeastern Ontario. Reserves have increased substantially at the Mine with the discovery of the South Zone in late 1993. The Mine contains 731,000 ounces of gold reserves with an average grade of 0.20 ounces of gold per ton, and a further 880,000 ounces of gold mineralized material, grading 0.149 ounces of gold per ton. There is still significant opportunity to expand reserves at the Mine and a diamond drilling program is underway to test the down dip potential of the South Zone. Definition drilling continues to delineate ore to the east and west of the central core of the zone.

Production in 1996 was 117,621 ounces, 77% higher than 1995 levels, as the South Zone entered full production, generating increased tonnage and improved grade. Cash operating costs dropped to \$160 per ounce from \$236 in 1995. For 1997, production is estimated at 120,000 ounces at a cost of \$140 per ounce.

The primary mining method at Holt-McDermott is long-hole stoping, which has been used exclusively since production commenced there.

The mill, which is a conventional carbon-in-leach circuit, averaged 1,772 tonnes per calendar day of which 1,199 tonnes per day were from Holt-McDermott and 573 tonnes per day were from Battle Mountain Canada's Holloway Joint Venture Mine under a custom milling agreement. This custom milling is expected to continue well into the next century.

Capital expenditures are estimated to be \$3.3 million in 1997, which will include further development in the South Zone as well as exploration to expand reserves.

GOLDEN PATRICIA MINE

By mid-March 1997, after a life of almost nine years, the Golden Patricia Mine near Pickle Lake in northwestern Ontario will have depleted its economic reserves. It has processed 1.14 million tonnes of ore and produced nearly 635,000 ounces of gold. In 1996, the Mine produced 53,302 ounces and is estimated to produce 14,000 ounces in 1997. The site will be closed by fourth quarter 1998, with the cost of site closure, employee severance and reclamation estimated to be \$4 million.

Chile

The El Indio Property

The El Indio Property covers 1,300 square kilometres of the El Indio Belt located along the Continental Divide in the Andes Mountains in central Chile. It is a prolific gold, silver and copper district, close to the Argentina border. The property includes two producing mines, El Indio and Tambo, located within five kilometres of each other in the south-central part of the property, and the Pascua Mine Project which is under development about 50 kilometres to the north.

Reserves at the El Indio Property total 12.1 million ounces, divided among three mining areas. The underground El Indio Mine contains 1.2 million ounces, the open pit Tambo Mine contains 0.8 million ounces, while the Pascua Mine Project contains 10.1 million ounces. A further 11.0 million ounces of gold mineralized material has been identified, with 4.3 million ounces at the El Indio and Tambo Mines. In 1996, 328,662 ounces of gold were produced at the Property and production of 315,000 ounces is expected in 1997.

There remains considerable potential to find new deposits along the El Indio Belt, with the large increase in reserves at the Pascua Mine Project in 1996 being one confirmation of this possibility.

EL INDIO MINE

The Mine's reserves were reduced in 1996, reflecting a more conservative approach. The ounces removed from the proven and probable category have been included in gold mineralized material until the Company completes underground delineation drilling which will begin later this year after completion of the new internal shaft. In 1996, production was 169,359 ounces, grading 0.172 ounces of gold per ton at an average cost of \$263 per ounce. Production was lower and costs higher than in 1995, but priority was placed on improving mine management, systems and physical plant, and in better understanding the ore body. For 1997, production is estimated to be 140,000 ounces with a substantial reduction expected in the cost per ounce.

Copper production in 1996 was 35,000 tonnes and is estimated to be about 45,000 tonnes in 1997. The copper provides a significant credit against operating costs per ounce.



A convoy of trucks containing gold/copper concentrate from the El Indio Mine winds its way through the foothills of the Andes Mountains to the coastal town of La Serena for shipment to smelters.

Exploration

Exploration drilling programs within the El Indio Mine have focused on the northeast extensions to the Indio and Viento structures, and ongoing exploration for high-grade extensions in the upper section of the Mine. There have been promising results in both programs, with the Viento northeast extension providing high-grade intercepts. The 1997 in-mine exploration program will provide over 20,000 metres of additional diamond drilling for follow-up work on both extension and high grade programs. There will also be an important in-fill program in the Viento vein at the 3700-metre elevation.

Mining

The three ore sources – the El Indio Mine itself, the adjacent Viento system and the Rio del Medio deposit – are vein type deposits. The Rio del Medio deposit, a gold/silver deposit, will be depleted in early 1997 and replaced by a copper/gold vein in the El Indio Mine, known as the Mula Muerta Sur vein. The ores are complex copper sulphides containing high levels of gold and silver. A number of mining techniques have been applied depending on the physical condition and dimensions of the veins. At El Indio, these include long-hole stoping, mechanized cut and fill, ramp-in-vein, and under-cut and fill for reserves located

in highly fractured pillars. By the end of 1996, the longhole mining method accounted for about 20% of the El Indio Mine production. The primary mining method used in the Viento area is long-hole stoping. Barrick is sinking a 490-metre internal shaft which will be used for both El Indio and Viento mining operations and to provide access for exploration and development at depth. The shaft is scheduled for completion in March 1997.

Processing

Facilities include a flotation plant and three roasters. A series of productivity improvements in the concentrator and the roasters over the past two years have increased plant capacity at El Indio by approximately 13% to 3,250 tonnes per day and improved the quality of the product. While throughput averaged 2,900 tonnes per day in 1996, it is projected to be 3,250 tonnes per day in 1997. Over 70% of the concentrate is roasted on site, with the balance being done at outside smelters.

Capital Expenditures

In 1996, a total of \$76.4 million was spent on processing and roaster upgrades, underground

development work and on the internal shaft. A further \$30 million is budgeted for mining and processing upgrades in 1997.

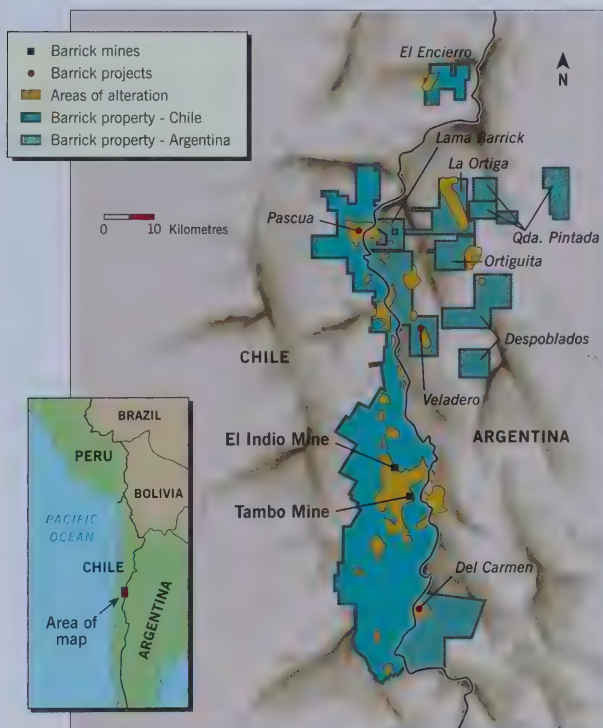
TAMBO

Tambo Mine is five kilometres southeast of El Indio at an elevation of 4,200 metres. In 1996, production was 159,303 ounces at a grade of 0.074 ounces of gold per ton and a cash operating cost per ounce of \$299. For 1997, production is expected to be 175,000 ounces at a cost of less than \$260 per ounce.

Production currently comes from three open pits, Wendy, Kimberly and Canto Sur. The ore is gold/silver mineralization. Due to the steep terrain at Tambo, an accelerated stripping program is required for the first three years of operation. The overall stripping ratio for Tambo will be approximately 4.9:1, although with the accelerated stripping program, the present waste-to-ore ratio is approximately 8.5:1. The Mine has its own 6,000-tonnes-per-day mill, using a conventional cyanide leach, carbon-in-pulp circuit.

To date, exploration has not produced additional significant gold reserves. However, new gold targets will be tested in 1997 and a program of deep drilling near the Kimberly and Wendy pits will determine if higher grade ores exist at lower levels.

Capital expenditures at Tambo for 1996 were \$22 million, primarily for deferred stripping and the expansion of the tailings dam. In 1997, it is expected that approximately \$8 million will be spent at Tambo to complete the tailings project and for stripping.



El Indio Property

Left: Barrick's El Indio Property covers 1,300 square kilometres of the El Indio Belt, about 180 kilometres long and 10 to 15 kilometres wide, located close to the Argentina border in the Andes Mountains.

A Record of Respect

Barrick conducts its business with high standards of respect for its employees, their communities and the environment. The result is a stronger company and more benefit to shareholders.

Corporate Responsibility

At Barrick, the concept of corporate responsibility is fundamental to the way the Company conducts its business. That applies to corporate policies and procedures on environmental issues, the way the Company acts to strengthen the social fabric of the communities in which it operates, and the steps it takes to nurture the entrepreneurial spirit of the people who are part of the Barrick team.

It stems from a belief that Barrick shareholders benefit from a strong record of environmental stewardship and respect for employees and their communities.

ENVIRONMENTAL LEADERSHIP IS A KEY ASSET

Although environmental items appear in financial statements as expenses or potential liabilities, the fact is Barrick's environmental track record is one of the Company's greatest assets.

The Company's goal is to meet or surpass all environmental regulations and guidelines; minimize the impact of development and

restore natural ecosystems to their original condition, or better.

The environmental committee of Barrick's board of directors regularly reviews and monitors the Company's performance. The foundation for that performance is outlined in the Environmental Policy Statement approved by the Board in 1995. It is implemented by a corporate vice president, environment, his staff, full-time staff in each country of operation and at each operating site.



Reclaimed topsoil covers waste rock. Soon native vegetation will thrive.

Barrick applies the same high standards of practice worldwide, even if that means exceeding the extent of local regulations.

The Company's track record speaks well of its success in this area. In 1996, for example, Barrick earned a number of prestigious awards for environmental leadership from government and regulatory bodies, including reclamation awards from the state of New Mexico and the province of British Columbia.

A major focus for Barrick over the past two years has been to bring the newly-acquired properties in South America up to the Company's environmental and health and safety standards. Since acquiring the El Indio Property in Chile in 1994, the Company has spent more than \$30 million on environmental and workplace safety improvements at the site.

CREATING STRONGER LOCAL COMMUNITIES

Barrick's leadership role, and its responsibilities, extend to the communities in which it operates. It is Company policy to support charitable endeavours through donations equal to 1% of prior year's earnings. The money goes to a broad spectrum of recipients including international health organizations, local hospitals,

charities, cultural groups and educational institutions.

For instance, since 1989, Barrick has donated \$6.5 million to communities, schools and charities in Nevada, where the Goldstrike Property and Bullfrog Mine are located. In Canada, the Company has made major donations to support local medical, sports and educational programs close to our mines in Ontario and Quebec. In Chile, similar programs have been developed to improve nutrition for school children and to support schools and hospitals.

UNLOCKING OUR EMPLOYEES' POTENTIAL

Barrick is only as strong as the skills, abilities and motivation its employees bring to their work. So the Company has always placed a high priority on programs which develop the full potential and entrepreneurial spirit of its people.

Barrick attracts and motivates the best people in the industry by rewarding them for their efforts with attractive salaries, benefits and incentive plans.

Under the Barrick Scholarship Program, children of Barrick employees are entitled to Company-paid scholarships for post-secondary education. To date, 1,770 scholarships have been awarded with a total value of



Barrick supports the communities in which it operates. Here, children play in an Elko park that Barrick helped build.

about \$4 million. The program is open to all Barrick employees, except officers. Similarly, as many children of employees as possible are given summer work with the Company.

In the belief that home ownership is a key to community stability, Barrick also provides housing support for employees. In the Elko community near Goldstrike, Barrick arranged for the building of nearly 700 housing units, and provided mortgage guarantees to help many employees buy their first home. These initiatives helped Elko win the title "Best Small Town in America" in a nationwide survey in 1993.

Meeting the Challenge

Barrick believes
that any process or
operation, no
matter how good
it already is,
may be improved
through innovation.

Technology

New technologies – and Barrick's ability to develop and apply them – have played a key role in the Company's success. Barrick's approach is to find the best mining and milling processes for each mine or ore type and then improve them for even greater efficiency.

For example, Barrick's development of large-scale autoclaving made the Betze-Post Mine economic. The Company introduced large-scale autoclaving to the gold-mining industry, enhanced it and used it to make Goldstrike one of the finest gold properties in the world.

At Goldstrike, microscopic particles of gold are encapsulated in sulphide particles within the ore. To make this ore amenable to gold extraction, the sulphides must first be oxidized. In nature, this process takes millions of years. Autoclaving uses intense heat and pressure to oxidize them in less than an hour.

Autoclaving is not new, but Barrick took the technology and refined it in many important

ways. For instance, Company engineers developed autoclave vessels that can operate for as long as nine months without maintenance, instead of the more standard three months, and they created a simplified heat recovery system to significantly reduce maintenance and operating costs. Barrick improvements have reduced autoclave processing time to 55 minutes from 90. Technical achievements like these have increased throughput and maximized production so that gold recovery rates exceed 90%, compared to 30% or less with conventional methods for these types of ore.

This kind of enterprising spirit lies behind Barrick's solutions to many other challenges as well.

Challenge: At the Meikle Mine, rock temperatures underground reach as high as 140°F.

Barrick's solution: Design and build the largest surface refrigeration plant in North America, which can pump up to 600,000 cubic feet of 40°F air through the mine every minute.

The system is based on South African technology.

Challenge: At the Betze-Post Mine, most of the ore lies below the original water table.

Barrick's solution: Develop and build the largest water handling system of any gold mine in the world. The water treatment facility and conveyance system now under construction will allow treated water to be discharged into the Humboldt River.

Challenge: With 74 trucks logging 18,800 miles a day, shuttling between seven shovels and two dozen stockpiles and dumps, transportation costs at the Betze-Post Mine are a major factor.

Barrick's solution: A computer-assisted dispatch system, located in an air-traffic-control-style tower on the rim of the pit, matches trucks to shovels so there is no waiting time and directs each load to the right destination. It also tracks such things as tons mined, ore mined, loads per shift and fuel consumption. The dispatch system was recently enhanced by a satellite-based Global Positioning System (GPS), which provides much more intensive coverage and thus permits rapid, flexible adjustments to truck assignments as traffic

patterns change. In addition, as part of a trolley-assist system, five miles of overhead trolley lines were installed to help trucks exit the pit 80% faster, using cleaner, efficient electric power. The net result is operating savings of more than \$10 million a year and lower capital costs as well.

Now Barrick is developing other innovative technological solutions. Ammonium thiosulphate processing is a patented new system which achieves 80% to 90% gold recovery rates from high-grade carbonaceous/sulphidic ores. Since this process piggybacks on existing autoclaving facilities, capital costs could be minimized and operating costs would be similar to present levels, obtained through the conventional carbon-in-leach process.

Barrick has also been developing new approaches to two other technologies that improve the economics of recovering gold from low-grade sulphidic ores. Low-grade flotation involves treating the ore with chemicals and air, separating a concentrate that can be sent for autoclaving. Bioleaching entails the use of microorganisms to oxidize ore prior to the more conventional heap-leaching. Barrick is

fine-tuning the combination of bacteria, nutrients and acidic medium to achieve the most efficient oxidation.

The point is flexibility. New technologies can have the power to open up previously uneconomic deposits, make existing deposits more economic, and provide significant environmental and other benefits. Barrick's leadership in the development and use of new technologies is a key part of our ability to continue to create exceptional value for our shareholders.



Trucks on trolley assist leave the pit 80% faster, use clean electric power and are less subject to wear. 1996 savings: \$10 million in operating costs and \$12 million in new trucks that the mine would otherwise have had to buy.

Reserves and Gold Mineralized Material

The table below sets forth Barrick's interest in the total proven and probable reserves at each property, based on a gold price of \$400 per ounce. For the first time, Barrick is reporting gold mineralized material. This material has been geologically defined to be potentially economic, yet is not in a definitive mine plan. For definitions of proven and probable reserves and gold mineralized material, see Mining Terms, page 68.

The Company has carefully prepared and verified the ore reserve figures and believes that its method of estimating reserves has been verified by mining experience.

These figures are estimates, however, and no assurance can be given that the indicated quantities of gold will be produced. Gold price fluctuations may render ore reserves containing relatively lower grades of gold mineralization uneconomic. Moreover, short-term operating factors relating to the ore reserves, such as the need for orderly development of ore bodies or the processing of new or different ore grades, could affect the Company's profitability in any particular accounting period.

| | December 31, 1996 | | | December 31, 1995 | | |
|---|---------------------|-------------------|------------------------------------|---------------------|-------------------|------------------------------------|
| | Tons (thousands) | Grade (oz/ton) | Contained Ounces (thousands) | Tons (thousands) | Grade (oz/ton) | Contained Ounces (thousands) |
| UNITED STATES | | | | | | |
| Betze-Post Mine | | | | | | |
| Proven and probable | 122,677 | 0.192 | 23,603 | 112,322 | 0.204 | 22,952 |
| Mineralized material | 55,755 | 0.189 | 10,558 | | | |
| Meikle Mine | | | | | | |
| Proven and probable | 8,468 | 0.716 | 6,065 | 8,373 | 0.683 | 5,719 |
| Mineralized material | 1,383 | 0.717 | 992 | | | |
| Bullfrog Mine | | | | | | |
| Proven and probable | 10,186 | 0.062 | 628 | 13,180 | 0.061 | 799 |
| Mineralized material | 3,669 | 0.040 | 147 | | | |
| Mercur Mine | | | | | | |
| Proven and probable | 3,723 | 0.054 | 202 | 6,813 | 0.052 | 352 |
| Newmont/Barrick HD Venture Project (40%) | | | | | | |
| Proven and probable | 2,820 | 0.424 | 1,197 | — | — | — |
| Mineralized material | 130 | 0.304 | 40 | | | |
| Pinson Mine (50%) | | | | | | |
| Proven and probable | 1,282 | 0.072 | 92 | 1,048 | 0.073 | 77 |
| Total – United States | | | | | | |
| Proven and probable | | | 31,787 | | | 29,899 |
| Mineralized material | | | 11,737 | | | |

| | December 31, 1996 | | | December 31, 1995 | | |
|---|---------------------|-------------------|------------------------------------|---------------------|-------------------|------------------------------------|
| | Tons (thousands) | Grade (oz/ton) | Contained Ounces (thousands) | Tons (thousands) | Grade (oz/ton) | Contained Ounces (thousands) |
| CANADA | | | | | | |
| Bousquet Mine | | | | | | |
| Proven and probable | 4,326 | 0.248 | 1,072 | 3,980 | 0.227 | 903 |
| Mineralized material | 5,420 | 0.186 | 1,006 | | | |
| Doyon Mine (50%) | | | | | | |
| Proven and probable | 5,659 | 0.168 | 948 | 4,703 | 0.172 | 811 |
| Mineralized material | 5,015 | 0.165 | 827 | | | |
| Holt-McDermott Mine | | | | | | |
| Proven and probable | 3,635 | 0.201 | 731 | 3,092 | 0.235 | 726 |
| Mineralized material | 5,902 | 0.149 | 880 | | | |
| Golden Patricia Mine | | | | | | |
| Proven and probable | 40 | 0.371 | 15 | 102 | 0.402 | 41 |
| Total – Canada | | | | | | |
| Proven and probable | | | 2,766 | | | 2,481 |
| Mineralized material | | | 2,713 | | | |
| CHILE | | | | | | |
| El Indio Mine | | | | | | |
| Proven and probable | 8,101 | 0.145 | 1,173 | 15,324 | 0.149 | 2,280 |
| Mineralized material | 38,206 | 0.095 | 3,631 | | | |
| Tambo Mine | | | | | | |
| Proven and probable | 17,327 | 0.050 | 858 | 14,722 | 0.058 | 861 |
| Mineralized material | 14,431 | 0.049 | 707 | | | |
| Pascua Mine Project | | | | | | |
| Proven and probable | 172,047 | 0.059 | 10,069 | 28,435 | 0.068 | 1,942 |
| Mineralized material | 132,953 | 0.050 | 6,702 | | | |
| Total – Chile | | | | | | |
| Proven and probable | | | 12,100 | | | 5,083 |
| Mineralized material | | | 11,040 | | | |
| Barrick's Interest – Chile⁽¹⁾ | | | | | | |
| Proven and probable | | | 10,086 | | | 4,159 |
| Mineralized material | | | 9,700 | | | |
| PERU | | | | | | |
| Pierina Mine Project | | | | | | |
| Proven and probable | 67,724 | 0.096 | 6,478 | — | — | — |
| Mineralized material | 13,717 | 0.056 | 764 | | | |
| Company Total | | | | | | |
| Proven and probable | | | 51,117 | | | 36,539 |
| Mineralized material | | | 24,914 | | | |

⁽¹⁾ Ownership interest in the Pascua Mine Project is 80%.

Operating and Financial Information

UNITED STATES

| | Betze-Post Mine (100% owned) | | Meikle Mine (100% owned) | | Bullfrog Mine (100% owned) | |
|---|--|-------------|------------------------------------|-------------|--------------------------------------|-------------|
| OPERATING INFORMATION (thousands) | 1996 | 1995 | 1996 | 1995 | 1996 | 1995 |
| Tons of ore milled | 6,038.3 | 5,929.6 | 160.2 | — | 3,008.6 | 3,110.1 |
| Average grade (ounces per ton) | 0.353 | 0.356 | 0.527 | — | 0.073 | 0.062 |
| Recovery rate (%) | 90.0 | 92.0 | 93.0 | — | 93.0 | 91.7 |
| Ounces of gold produced from: | | | | | | |
| Mill ore | 1,909.0 | 1,940.2 | 78.4 | — | 205.3 | 176.3 |
| Leach ore | 26.0 | 91.7 | — | — | — | — |
| Total ounces produced | 1,935.0 | 2,031.9 | 78.4 | — | 205.3 | 176.3 |
| Barrick's share of ounces produced | 1,935.0 | 2,031.9 | 78.4 | — | 205.3 | 176.3 |
| FINANCIAL INFORMATION (dollars) | | | | | | |
| Gold sales per ounce | \$ 415 | \$ 406 | \$ 415 | — | \$ 415 | \$ 406 |
| Production costs per ounce | | | | | | |
| Direct mining costs | \$ 126 | \$ 115 | \$ 142 | — | \$ 293 | \$ 321 |
| Applied (deferred) stripping | 36 | 32 | — | — | (5) | — |
| By-product credits | — | — | — | — | (7) | (12) |
| Cash operating costs per ounce | 162 | 147 | 142 | — | 281 | 309 |
| Royalties | 27 | 18 | 12 | — | 11 | 17 |
| Production taxes | 7 | 8 | — | — | 1 | 4 |
| Total cash costs per ounce | 196 | 173 | 154 | — | 293 | 330 |
| Depreciation and amortization | 36 | 36 | 62 | — | 37 | 88 |
| Reclamation | 3 | 2 | 1 | — | 3 | 3 |
| Total production costs per ounce | \$ 235 | \$ 211 | \$ 217 | — | \$ 333 | \$ 421 |
| Operating cash flow per ounce | \$ 219 | \$ 233 | \$ 261 | — | \$ 122 | \$ 76 |
| Capital expenditures (millions) | \$ 62.0 | \$ 90.3 | \$ 60.5 | — | \$ 7.9 | \$ 18.9 |
| Deferred (applied) stripping/ stockpile (millions) | \$ (39.7) | \$ (35.5) | — | — | \$ 1.0 | — |

CHILE

| Mercur Mine (100% owned) | | Pinson Mine (50% owned) | | El Indio Mine (100% owned) | | Tambo Mine (100% owned) | |
|-----------------------------|----------|----------------------------|--------|-------------------------------|---------|----------------------------|---------|
| 1996 | 1995 | 1996 | 1995 | 1996 | 1995 | 1996 | 1995 |
| 2,032.8 | 1,910.1 | 549.4 | 559.1 | 1,179.3 | 1,155.5 | 2,489.4 | 1,484.7 |
| 0.053 | 0.065 | 0.077 | 0.088 | 0.172 | 0.198 | 0.074 | 0.108 |
| 69.0 | 77.1 | 79.0 | 78.8 | 83.4 | 83.4 | 86.7 | 83.6 |
| 74.5 | 95.8 | 32.4 | 38.8 | 169.4 | 192.5 | 159.3 | 133.7 |
| 8.1 | 5.9 | 10.0 | 8.1 | — | — | — | — |
| 82.6 | 101.7 | 42.4 | 46.9 | 169.4 | 192.5 | 159.3 | 133.7 |
| 82.6 | 101.7 | 12.1 | 12.3 | 169.4 | 192.5 | 159.3 | 133.7 |
| \$ 415 | \$ 406 | \$ 415 | \$ 406 | \$ 415 | \$ 406 | \$ 415 | \$ 406 |
| \$ 314 | \$ 257 | \$ 342 | \$ 266 | \$ 601 | \$ 452 | \$ 385 | \$ 295 |
| — | 46 | — | — | — | — | (74) | (59) |
| (1) | (2) | — | — | (338) | (286) | (12) | (6) |
| 313 | 301 | 342 | 266 | 263 | 166 | 299 | 230 |
| 4 | 7 | 14 | 13 | 17 | — | 8 | — |
| 3 | 3 | — | 1 | — | — | — | — |
| 320 | 311 | 356 | 280 | 280 | 166 | 307 | 230 |
| 146 | 142 | 99 | 119 | 160 | 136 | 105 | 79 |
| 17 | 8 | 22 | 19 | 4 | 2 | 5 | 2 |
| \$ 483 | \$ 461 | \$ 477 | \$ 418 | \$ 444 | \$ 304 | \$ 417 | \$ 311 |
| \$ 95 | \$ 95 | \$ 59 | \$ 126 | \$ 135 | \$ 240 | \$ 108 | \$ 176 |
| \$ 3.6 | \$ 4.1 | — | \$ 0.8 | \$ 76.4 | \$ 81.9 | \$ 9.9 | \$ 74.6 |
| — | \$ (4.6) | — | — | — | — | \$ 11.9 | \$ 7.7 |

CANADA

| | Bousquet Mine (100% owned) | | Doyon Mine (50% owned) | | Holt-McDermott Mine (100% owned) | |
|--|--------------------------------------|-------------|----------------------------------|-------------|--|-------------|
| OPERATING INFORMATION (thousands) | 1996 | 1995 | 1996 | 1995 | 1996 | 1995 |
| Tons of ore milled | 892.9 | 960.4 | 1,291.6 | 1,285.3 | 483.7 | 421.6 |
| Average grade (ounces per ton) | 0.270 | 0.242 | 0.172 | 0.180 | 0.251 | 0.163 |
| Recovery rate (%) | 96.0 | 94.9 | 95.1 | 96.0 | 96.9 | 96.5 |
| Ounces of gold produced | 231.4 | 220.4 | 209.0 | 219.3 | 117.6 | 66.4 |
| Barrick's share of ounces produced | 231.4 | 220.4 | 104.5 | 110.0 | 117.6 | 66.4 |

FINANCIAL INFORMATION (dollars)

| | | | | | | |
|---|---------------|---------------|---------------|---------------|---------------|---------------|
| Gold sales per ounce | \$ 415 | \$ 406 | \$ 415 | \$ 406 | \$ 415 | \$ 406 |
| Production costs per ounce | | | | | | |
| Direct mining costs | \$ 252 | \$ 285 | \$ 218 | \$ 212 | \$ 160 | \$ 236 |
| Applied (deferred) stripping | — | — | — | — | — | — |
| By-product credits | (59) | (59) | — | — | — | — |
| Cash operating costs per ounce | 193 | 226 | 218 | 212 | 160 | 236 |
| Royalties | — | — | 4 | 4 | — | 5 |
| Production taxes | — | — | — | — | — | — |
| Total cash costs per ounce | 193 | 226 | 222 | 216 | 160 | 241 |
| Depreciation and amortization | 80 | 80 | 100 | 71 | 76 | 101 |
| Reclamation | 5 | 8 | 4 | 7 | 2 | 2 |
| Total production costs per ounce | \$ 278 | \$ 314 | \$ 326 | \$ 294 | \$ 238 | \$ 344 |
| Operating cash flow per ounce | \$ 222 | \$ 180 | \$ 193 | \$ 190 | \$ 255 | \$ 165 |
| Capital expenditures (millions) | \$ 6.9 | \$ 18.2 | \$ 7.9 | \$ 6.2 | \$ 4.2 | \$ 9.4 |

Production and Cost Summary⁽¹⁾

| Golden Patricia Mine (100% owned) | |
|---|--------|
| 1996 | 1995 |
| 154.6 | 166.7 |
| 0.352 | 0.435 |
| 97.9 | 97.7 |
| 53.3 | 70.9 |
| 53.3 | 70.9 |
| <hr/> | |
| \$ 415 | \$ 406 |
| <hr/> | |
| \$ 319 | \$ 237 |
| — | — |
| — | — |
| 319 | 237 |
| — | — |
| — | — |
| 319 | 237 |
| 92 | 66 |
| 17 | 1 |
| \$ 428 | \$ 304 |
| \$ 96 | \$ 169 |
| \$ 2.7 | \$ 4.9 |

| | Gold Production (ounces) | | Cash Operating Costs (per ounce) | |
|-----------------------------|------------------------------------|-----------|--|--------|
| | 1996 | 1995 | 1996 | 1995 |
| UNITED STATES | | | | |
| Betze-Post Mine | 1,934,966 | 2,031,885 | \$ 162 | \$ 147 |
| Meikle Mine ⁽²⁾ | 78,442 | — | 142 | — |
| Bullfrog Mine | 205,268 | 176,307 | 281 | 309 |
| Mercur Mine | 82,593 | 101,682 | 313 | 301 |
| Pinson Mine ⁽³⁾ | 12,098 | 12,315 | 342 | 266 |
| CANADA | | | | |
| Bousquet Mine | 231,354 | 220,391 | 193 | 226 |
| Doyon Mine ⁽³⁾ | 104,495 | 109,963 | 218 | 212 |
| Holt-McDermott Mine | 117,621 | 66,389 | 160 | 236 |
| Golden Patricia Mine | 53,302 | 70,861 | 319 | 237 |
| Macassa Mine ⁽⁴⁾ | — | 24,530 | — | 316 |
| CHILE | | | | |
| El Indio Mine | 169,359 | 192,465 | 263 | 166 |
| Tambo Mine | 159,303 | 133,719 | 299 | 230 |
| | 3,148,801 | 3,140,507 | \$ 193 | \$ 180 |

⁽¹⁾ Effective January 1996, the Company adopted The Gold Institute Production Cost Standard. Accordingly, 1995 comparative figures have been restated to conform to the 1996 presentation.

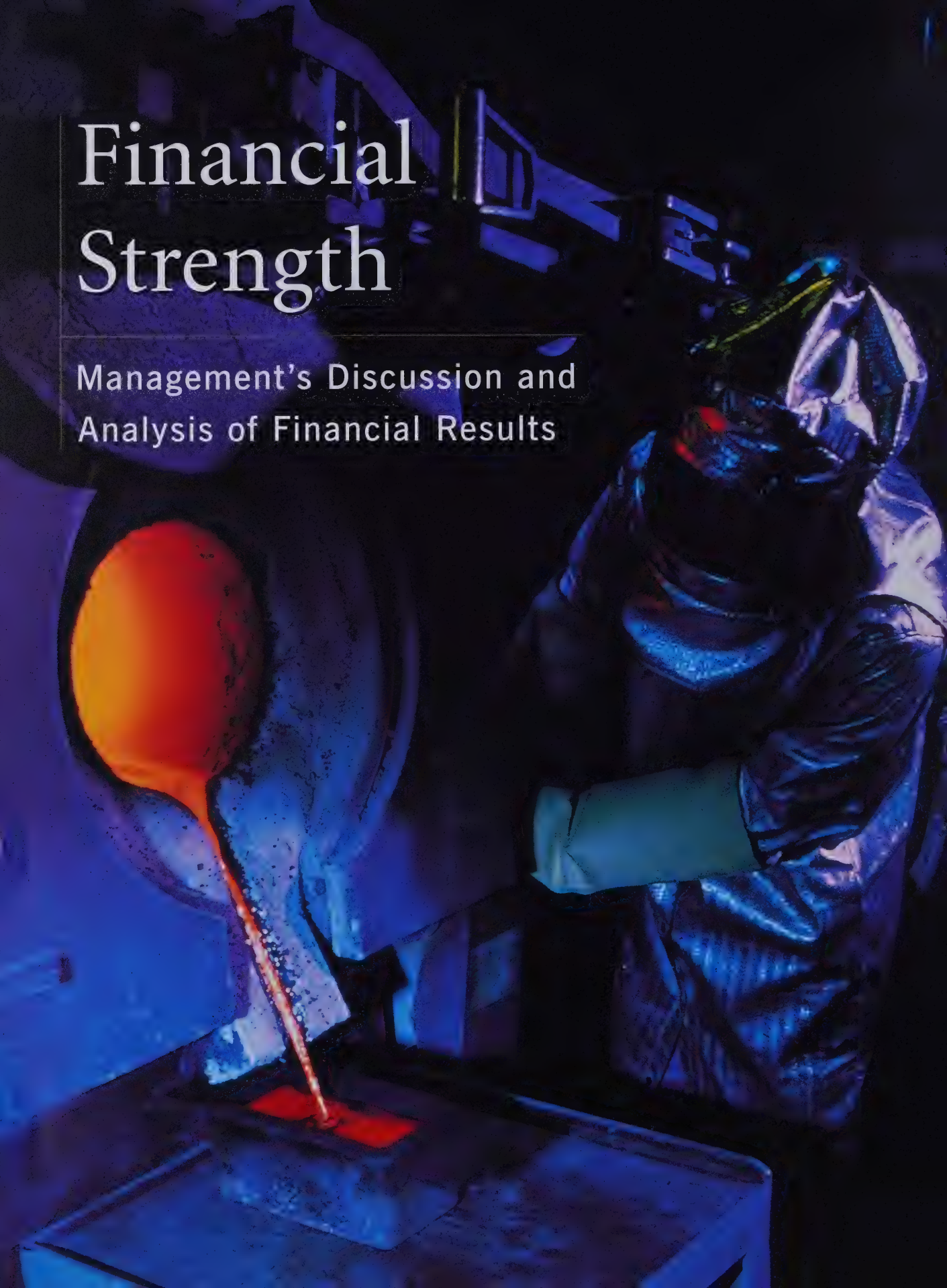
⁽²⁾ Production commenced in September 1996.

⁽³⁾ Barrick's proportional share.

⁽⁴⁾ Property sold in May 1995.

Financial Strength

Management's Discussion and
Analysis of Financial Results



During 1996, Barrick added 15 million ounces to reserves, opened the new Meikle Mine and put the Pierina and Pascua Mine Projects into development. The 40% growth in reserves, for a year end total of 51 million ounces of gold, resulted from increases at Pascua and from the recently acquired Pierina deposit.

1996 net income of \$218 million, (60 cents per share) is lower than the \$292 million earned in 1995 (82 cents per share), primarily as a result of an after-tax charge of \$38 million (10 cents per share) relating to the Cerro Corona exploration project in Peru, and higher operating and exploration costs. Correspondingly, operating cash flow decreased by 8% to \$463 million, compared with \$502 million in 1995 and \$376 million in 1994.

ACQUISITION OF AREQUIPA

Barrick acquired Arequipa Resources Ltd. in August 1996. Arequipa was a natural resources company engaged in the acquisition and exploration of mineral properties in Peru. The company

held a portfolio of 47 mineral properties covering some 180,000 hectares in Peru in addition to its principal property, Pierina. Barrick now has detailed field work underway on some of these properties.

Barrick issued 14 million common shares and paid \$426 million cash to Arequipa shareholders for total consideration of \$790 million. The acquisition has been accounted for as a purchase with the full consideration allocated to its principal gold development project, Pierina.

Within four months of the acquisition, Barrick had drilled over 35,000 metres in 201 drill holes and brought 6.5 million ounces of gold into reserves at Pierina. The deposit is still open to the east and south. The Mine, which is expected to commence production in late 1999 with a current 10-year life, is expected to add 500,000 ounces of gold annually and reduce Barrick's average operating costs per ounce. Operating costs at Pierina are expected to be less than \$100 per ounce, significantly below Barrick's 1996 average cost

Barrick offers
shareholders an
unequalled
combination of
operating and
financial strengths
and the potential
for future growth.



Randall Oliphant

Randall Oliphant

*Executive Vice President
and Chief Financial Officer*

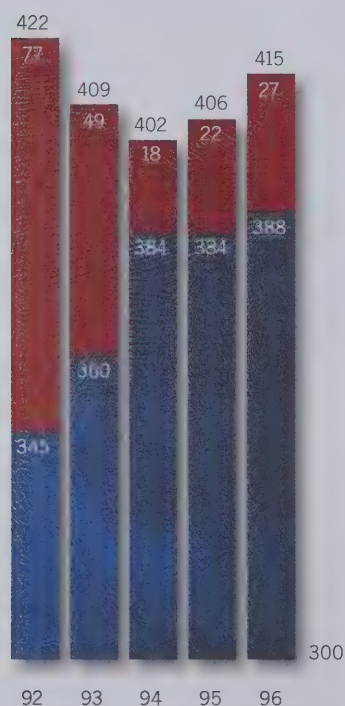
< After being melted in a furnace, gold is poured into doré bars.

Barrick's Hedging Program

(US dollars per ounce)

■ Barrick Premium
■ Average Spot Gold Price

Gold Sales Revenue



- 6.7 million ounces hedged at year end 1996 at average price per ounce of \$420 or higher
- Generated \$370 million in additional revenue and \$285 million in earnings over last five years

of \$193 per ounce. Initial estimates for construction costs are \$200 million.

REVENUES

Gold sales

Higher realized prices resulting from the Company's gold price hedging program increased gold sales revenue in 1996.

The Company, under its gold price hedging program, realized \$415 per ounce on gold sales in 1996 compared to \$406 in 1995 and \$402 in 1994. Compared to the average spot gold price for the year of \$388 per ounce, Barrick generated a \$27-per-ounce premium over spot or \$84 million in additional revenue in 1996. Over the past five years, the program has enabled Barrick to realize \$39 per ounce over the average spot price of \$372 for the same period. The impact of the \$9 per ounce increase over 1995 in the realized price was partially offset by fewer ounces of gold sold.

Revenue from gold sales of 3,128,941 ounces was \$1,299 million in 1996, marginally higher than the \$1,281 million reported in 1995 on gold sales of 3,156,419 ounces (\$936 million in 1994 on gold sales of 2,329,513 ounces). Operating results in years subsequent to 1994

reflect a full year of ownership of the properties added through the Lac Minerals Ltd. acquisition in September 1994; whereas 1994 comparative results reflect only four months of ownership.

The Company expects to realize an average price of \$420 per ounce, compared to a current spot price of approximately \$360 per ounce, for its 1997 targeted production of 3 million ounces of gold.

Gold price hedging

At the end of 1996, the Company had 6.7 million ounces hedged, more than two years of expected production or 13% of reserves. The program has not only locked in earnings and cash flow to support the Company's aggressive growth and development programs but also generated over \$370 million in additional revenues and \$285 million in additional earnings over the past five years.

Hedging programs are designed to manage the risks associated with fluctuations in price. As future gold prices command a premium to the spot price, hedging takes advantage of this characteristic by using forward contracts to sell gold today for delivery in the future at a higher price than today's market price. This forward premium, more

commonly known as contango, is comprised of the interest earned on dollars from the sale of borrowed gold, less the cost of borrowing the gold. The interest rate differential generates the higher forward price. The Company also mitigates the negative impact of fluctuating gold borrowing costs by investing funds for longer terms, thereby achieving higher interest rates than the short-term dollar rates. Thus, Barrick is still able to earn attractive contango in a higher gold lease rate environment.

While in the past nine years Barrick's hedge prices have been greater than the spot gold price, the use of spot deferred contracts gives the Company flexibility should the spot price exceed its hedge prices. Under this type of forward contract, the Company can deliver its gold against the contract, or roll forward the contract and sell on the spot market, depending on

which price is higher at the time. Each time a hedge contract is rolled forward, it increases in value with the forward premium. With Barrick's reserves and financial strength, it is able to roll forward a contract for up to ten years. While the cash flow benefit of this flexibility is immediate, for accounting purposes, the originally designated hedge price is brought into income and the excess of the spot price over the designated hedge price is deferred and brought into income at the new designated delivery date.

Interest and other income

Interest and other income of \$19 million in 1996 represents interest earned on the Company's surplus funds. Interest income was \$7 million lower than the \$26 million earned in 1995 (\$18 million in 1994) because of lower surplus cash. The lower level of surplus

cash is consistent with the higher level of development activities in 1996, which included the purchase of Arequipa Resources Ltd. for net cash of \$422 million and the completion of construction of the Meikle Mine for \$61 million. The Company invests its surplus funds in low-risk, short-term investments.

COSTS AND EXPENSES

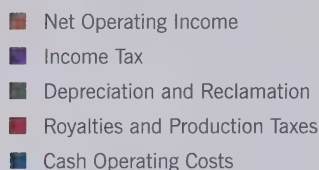
Operating costs

Operating costs increased 9% to \$691 million in 1996 compared with \$635 million in 1995. On a per ounce basis cash operating costs of \$193 were higher than expected and higher than the \$180 per ounce incurred in 1995 (\$165 per ounce in 1994). The record performance at the Canadian operations, where costs on average came down by \$26 per ounce to \$204 per ounce, was more than offset by higher costs at the Betze-Post Mine and the Chilean operations.

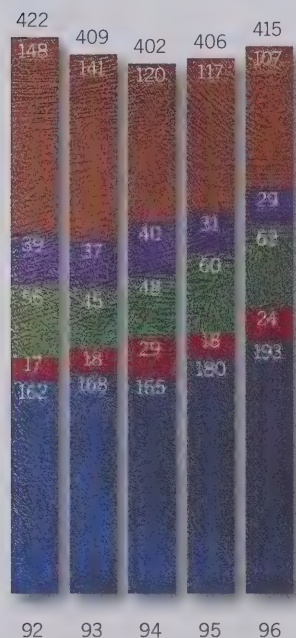
| <i>Production costs per ounce</i> | United States | | Canada | | Chile | | Total | |
|---|---------------|--------|--------|--------|--------|--------|--------|--------|
| | 1996 | 1995 | 1996 | 1995 | 1996 | 1995 | 1996 | 1995 |
| Gold production – ounces (<i>thousands</i>) | 2,313 | 2,323 | 507 | 492 | 329 | 326 | 3,149 | 3,141 |
| Cash operating costs | \$ 178 | \$ 167 | \$ 204 | \$ 230 | \$ 280 | \$ 191 | \$ 193 | \$ 180 |
| Royalties/production taxes | 31 | 24 | 1 | 2 | 13 | – | 24 | 18 |
| Total cash costs | 209 | 191 | 205 | 232 | 293 | 191 | 217 | 198 |
| Depreciation and amortization | 41 | 45 | 87 | 80 | 133 | 113 | 58 | 57 |
| Reclamation | 3 | 3 | 5 | 6 | 5 | 3 | 4 | 3 |
| Total production costs | \$ 253 | \$ 239 | \$ 297 | \$ 318 | \$ 431 | \$ 307 | \$ 279 | \$ 258 |

Net Operating Income

(US dollars per ounce)



Gold Sales Revenue



- Despite increasing costs during 1996, profit margin remained over 25%, one of the industry's highest

The Betze-Post Mine, which accounted for over 60% of the Company's gold production, reported cash operating costs of \$162 per ounce, \$5 higher than expected and higher than the 1995 costs of \$147 per ounce. The increase in costs resulted from a higher life-of-mine stripping ratio and higher diesel fuel prices. In 1997, operating costs at the Goldstrike Property, which will include a full year of production from the low-cost Meikle Mine, are expected to be comparable to the 1996 costs. However, on a Company-wide basis, cash operating costs are expected to be lower than 1996 at approximately \$190 per ounce as the result of expected improvements at the Chilean operations.

Cost improvements at the Canadian operations are attributable to the Holt-McDermott Mine, where gold production increased by 77% with the mining of the high grade South Zone, reducing cash operating costs to \$160 per ounce compared to \$236 per ounce in 1995. In addition, the completion of the consolidation of the Bousquet Mine in the third quarter reduced cash operating

costs at this mine to \$193 per ounce compared to \$226 in 1995.

Lower tonnage and grade from Rio del Medio, a source of ore for both El Indio and Tambo Mines, an eight-day strike, severe winter conditions, upgrading work carried out on underground support systems and lower than expected copper prices were the factors that increased cash operating costs at the Chilean operations to \$280 per ounce.

Most of the properties at the Goldstrike Property carry a 4% net smelter return royalty (NSR) and a 5% net profits interest royalty (NPI). During the year, Barrick effectively converted the interests of the minority shareholders in the Chilean El Indio and Tambo Mines into a 2% NSR on gold production and 3% NSR on copper production. Royalty costs fluctuate with the average spot prices of gold and copper, and changes in production, operating and capital costs. In 1996, royalties and production taxes increased to \$24 per ounce from \$18 per ounce in 1995 because of the conversion of the minority shareholders at El Indio and Tambo Mines, and a lower allocation of capital expenditures

to the royalty-bearing Post claims on the Goldstrike Property.

In 1997, royalties and production taxes on a per ounce basis are expected to remain at the 1996 level.

Depreciation and amortization

Depreciation and amortization of \$183 million in 1996 is comparable to the \$181 million recorded in 1995 (\$106 million in 1994) reflecting the same level of production over the two-year period. Accordingly, depreciation of \$58 per ounce was in line with \$57 per ounce in 1995 (\$46 per ounce in 1994). Depreciation was higher than the 1994 level as a result of the mines acquired in late 1994 which carry a higher depreciation per ounce charge than the original Barrick mines.

In 1997, depreciation is expected to rise to approximately \$65 per ounce, reflecting a full year of Meikle Mine production and completion of construction projects and lower production at the Chilean mines.

Administration

Administration costs increased to \$33 million in 1996 from \$31 million in 1995 (\$23 million in 1994).

Costs include World Gold Council and other industry membership fees, which rose by \$3 million to \$9 million in 1996. In 1997, administration costs are expected to remain at the 1996 level.

Reserve development

In 1996, total expenditures were \$139 million of which \$66 million, of exploration was expensed. This is a substantial increase from the 1995 total of \$92 million (\$62 million in 1994). The increase reflects the Company's commitment to reserve and production growth. Expenditures were \$30 million higher than budgeted primarily as a result of the success of the Company's exploration programs at Pascua and Pierina. Company-wide reserves increased by 40% in 1996 to 51 million ounces of gold. Pascua and Pierina accounted for 89% of this increase.

Barrick's exploration and reserve growth strategy is focused on its existing operating mines and the major gold belts of North and South America, Asia and West Africa. The strategy is directed towards finding multi-million-ounce gold deposits that will both sustain and increase

Barrick's production. In 1996, Barrick carried out this strategy through the acquisition of Arequipa Resources Ltd., detailed exploration programs on existing properties and through a growing network of joint ventures where an additional \$20 million was invested.

In the 1996 third quarter, the Company concluded that while Cerro Corona contained substantial gold/copper mineralization, it was not of sufficient size to meet Barrick's development criteria. Accordingly, a \$45 million charge (\$38 million after tax) to cover the Cerro Corona costs was taken in 1996.

The Company has budgeted \$100 million for reserve development in 1997, half of which is earmarked for new exploration projects around the world and is expected to be expensed.

Interest expense

Interest expense in 1996 of \$10 million, primarily representing interest on borrowings under the Company's \$1-billion line of credit, excludes interest of \$10 million which was capitalized to properties in development.

In 1997, all interest is expected to be capitalized. The capitalized interest will be amortized, once the properties in development have commenced production.

Income taxes

The Company's average effective tax rate has been constant over the past three years: 24.7% in 1996 compared to 25.1% in 1995 and 25.4% in 1994. In 1997, the effective tax rate is expected to remain at the same level. Reference is drawn to Note 6 to the Consolidated Financial Statements for a detailed income tax reconciliation.

CASH FLOW AND LIQUIDITY

Cash flow provided by operating activities was lower at \$463 million (\$1.28 per share, 1995 – \$1.42 per share, 1994 – \$1.22 per share) as a result of higher operating and exploration costs. Operating cost improvements and lower exploration costs are expected to increase operating cash flow in 1997.

Barrick's total capital and development expenditures in 1996 of \$374 million were higher than planned but comparable with \$385 million in 1995 (\$272 million in 1994). The higher than planned expenditures are primarily

attributable to the Company's reserve development activities and include unplanned investments in several joint ventures, the acquisition of an additional 23.75% interest in Pinson, expenditures at the newly acquired Pierina Mine Project and additional expenditures at the Pascua Mine Project.

Of the total capital expenditures in 1996, \$113 million was spent in Chile for underground development, shaft sinking and processing improvements at the El Indio Mine, deferred stripping and tailings at the Tambo Mine and road construction and feasibility work at the Pascua Mine Project.

In the United States, capital expenditures were \$99 million after deducting applied stripping of \$40 million. At the Betze-Post Mine, \$62 million before applied stripping was spent for water management, mining equipment and process upgrades. Meikle Mine expenditures were \$61 million for the year primarily for underground development, service and underground equipment and water management.

In Canada, \$22 million was spent at four mines primarily for underground development.

Capital expenditures in 1997, excluding deferred exploration of \$50 million, are estimated at \$275 million. Planned expenditures in the United States are \$140 million, principally for shaft sinking at Rodeo and construction of the water treatment facility at the Goldstrike Property. Expenditures in Chile and Peru of \$105 million are for completion of the shaft sinking, underground development, deferred stripping and tailings at the Chilean operating mines and commencement of construction at the Pascua and Pierina projects. Capital expenditures in Canada of \$30 million are primarily for underground development at the northern Ontario and Quebec mines. These 1997 capital expenditure programs are to be funded from cash flow from operations.

During the year, the Company borrowed \$500 million under its \$1-billion revolving credit facility to prepay all its existing debt of \$133 million and to fund in part the \$422 million net cash component of the \$790 million acquisition of Arequipa Resources Ltd.

During 1996, the Company paid dividends of \$0.14 per share compared with \$0.12 per share in 1995 and \$0.10 per share in 1994.

RISK MANAGEMENT

Financial risk

Barrick actively manages its exposure to gold prices, currencies, interest rates and by-product commodity prices for copper and silver. It uses a variety of hedging products to mitigate these risks. These instruments are used solely for hedging purposes related to the Company's specific exposures, not for trading purposes.

Operational risk

Barrick continually assesses the mining risks encountered at each of its operations. It reduces both the likelihood and the potential severity of such risks through its high operational standards, emphasis on employee training, and the risk management and loss control programs in place at each mine site. The Company also maintains adequate insurance at all times to cover normal business risks.

Over the last two years, assets by geographic area and location of reserves have changed substantially. In 1994, over two-thirds of the Company's assets were in North America, compared to 25% in South America. Currently, just over 50% of assets are in North America and just under 50%

in South America. Similarly, North America's percentage of Barrick's reserves has decreased to 68% in 1996 from 80% in 1994. Over 40% of the Company's gold mineralized material is located in South America. This diversification of both assets and reserves has decreased Barrick's operational risk.

The political risk of operating in Chile and Peru was assessed and management is comfortable that there is little risk to corporate assets. As part of its prudent approach to business, the Company also maintains specialized insurance coverage on its Chilean and Peruvian operations.

In each country where it has operations, Barrick is subject to various levels of government control and regulation, and is thus exposed to the risk of potentially adverse future changes. The Company endeavours to ensure that it is at all times in compliance with current laws, and it seeks to foster an equitable future climate through both direct and industry-wide contact with appropriate regulatory bodies. Barrick draws on the expertise of its management team, its Board of Directors and International Advisory Board, and

a broad range of international agencies and financial advisors to help assess risk before making an investment in a particular country.

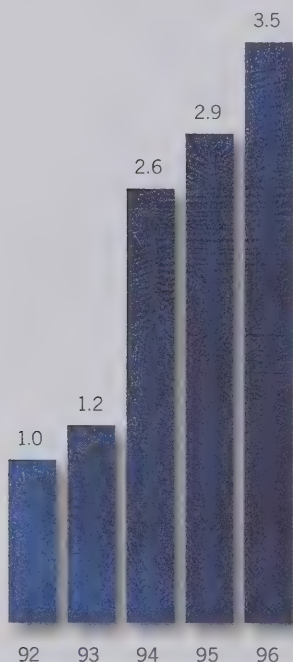
THE COMPETITIVE ENVIRONMENT

Barrick competes with other mining companies for mining claims and leases on exploration properties, for joint-venture agreements and for the acquisition of attractive gold companies. Such competition could increase the difficulty of concluding a negotiation on terms that the Company considers acceptable. However, a number of factors strengthen Barrick's competitive position. It is an entrepreneurial company, with financial and operational strength to move quickly and effectively as it implements its global development program. An excellent example of these attributes was demonstrated in Barrick's August 1996 acquisition of Arequipa Resources Ltd.

Programs also depend on the quality of the people involved, and here too Barrick operates from a position of strength. The Company seeks out the best people from around the world, and then retains them through

Shareholders' Equity

(billions of US dollars)



- Shareholders' equity of \$3.5 billion is among highest in the gold industry
- Has almost tripled since 1993 with acquisition of key assets

the quality of its employee programs, its corporate standards of operation and the professional opportunities that it provides. Barrick has one of the lowest turn-over rates in the industry.

OUTLOOK

Solid production, low operating costs and gold price hedging are the key components of continued profitability for Barrick.

Through its gold hedging program, Barrick has demonstrated that it can manage the gold price risk. This is especially important given that in early 1997 gold prices declined to a three-year low of approximately \$340 per ounce. Under the Company's hedging program, 100% of 1997 gold production is hedged at a price of \$420 per ounce. This represents approximately \$60 per ounce over the current spot price, or \$180 million in additional revenues.

Operating costs which are expected to be approximately \$190 per ounce in 1997 are well

below the western world average of \$269 per ounce.

The Company begins 1997 with 51 million ounces of gold reserves, one of the world's largest reserve bases, and planned annual production of 3 million ounces.

The Company's balance sheet is characterized by high liquidity and low leverage. The debt-to-equity ratio of 0.18 to 1 is among the lowest in the industry. Shareholders' equity of \$3.5 billion is among the highest in the industry. Barrick's balance sheet is strong enough not only to fund existing operating capital and development programs like Pierina and Pascua but also to move quickly to take advantage of other growth opportunities as they arise.

It is through this position of strength that Barrick can increase reserves and production to generate higher earnings and cash flow for its shareholders over the long term.

Consolidated Statements of Income

Barrick Gold Corporation

for the years ended December 31, 1996, 1995 and 1994
(in millions of United States dollars except per share data)

| | 1996 | 1995 | 1994 |
|--------------------------------------|---------------|---------------|---------------|
| Revenues | | | |
| Gold sales | \$ 1,299 | \$ 1,281 | \$ 936 |
| Interest and other income | 19 | 26 | 18 |
| | 1,318 | 1,307 | 954 |
| Costs and expenses | | | |
| Operating | 691 | 635 | 457 |
| Depreciation and amortization | 183 | 181 | 106 |
| Administration | 33 | 31 | 23 |
| Exploration | 66 | 49 | 21 |
| Interest on long-term obligations | 10 | 21 | 11 |
| Write-off of exploration property | 45 | — | — |
| | 1,028 | 917 | 618 |
| Income before taxes | 290 | 390 | 336 |
| Income taxes (note 6) | (72) | (98) | (85) |
| Net income for the year | \$ 218 | \$ 292 | \$ 251 |
| Net income per share (note 5) | | | |
| Basic | \$ 0.60 | \$ 0.83 | \$ 0.81 |
| Fully diluted | \$ 0.60 | \$ 0.82 | \$ 0.80 |

Consolidated Statements of Retained Earnings

Barrick Gold Corporation

for the years ended December 31, 1996, 1995 and 1994
(in millions of United States dollars)

| | 1996 | 1995 | 1994 |
|---|-----------------|---------------|---------------|
| Retained earnings at beginning of year | \$ 976 | \$ 727 | \$ 508 |
| Net income | 218 | 292 | 251 |
| Dividends (note 5) | (51) | (43) | (32) |
| Retained earnings at end of year | \$ 1,143 | \$ 976 | \$ 727 |

See accompanying notes to consolidated financial statements.

Consolidated Statements of Cash Flow

Barrick Gold Corporation

for the years ended December 31, 1996, 1995 and 1994

(in millions of United States dollars)

| | 1996 | 1995 | 1994 |
|--|---------------|---------------|---------------|
| Cash provided by (used in) operating activities | | | |
| Net income | \$ 218 | \$ 292 | \$ 251 |
| Non-cash items: | | | |
| Depreciation and amortization | 183 | 181 | 106 |
| Deferred income taxes | 14 | 15 | 19 |
| Write-off of exploration property | 45 | — | — |
| Other | (2) | (1) | — |
| | 458 | 487 | 376 |
| Cash provided by (reinvested in) working capital | | | |
| Bullion settlements and other receivables | 17 | (12) | (27) |
| Inventories | (22) | (6) | 4 |
| Accounts payable and accrued liabilities | 10 | 33 | 23 |
| Cash provided by operating activities | 463 | 502 | 376 |
| Cash provided by (used in) development activities | | | |
| Property and business acquisitions (note 9) | (422) | — | 262 |
| Property, plant and equipment | (374) | (385) | (272) |
| Short-term investments | — | 71 | (5) |
| Other | (23) | 31 | 3 |
| Cash (used in) development activities | (819) | (283) | (12) |
| Cash provided by (used in) financing activities | | | |
| Capital stock (note 5) | 22 | 11 | 6 |
| Long-term obligations | | | |
| Proceeds | 500 | 121 | — |
| Repayments | (154) | (411) | (232) |
| Dividends | (51) | (43) | (32) |
| Cash provided by (used in) financing activities | 317 | (322) | (258) |
| Increase (decrease) in cash | (39) | (103) | 106 |
| Cash at beginning of year | 284 | 387 | 281 |
| Cash at end of year | \$ 245 | \$ 284 | \$ 387 |

See accompanying notes to consolidated financial statements.

Consolidated Balance Sheets

Barrick Gold Corporation

as at December 31, 1996 and 1995

(in millions of United States dollars)

| | 1996 | 1995 |
|---|-----------------|-----------------|
| Assets | | |
| Current assets | | |
| Cash | \$ 245 | \$ 284 |
| Bullion settlements and other receivables | 107 | 116 |
| Inventories (note 2) | 131 | 108 |
| | 483 | 508 |
| Property, plant and equipment (note 3) | 3,991 | 3,004 |
| Other assets | 41 | 44 |
| | \$ 4,515 | \$ 3,556 |
| Liabilities | | |
| Current liabilities | | |
| Accounts payable and accrued liabilities | \$ 167 | \$ 172 |
| Current portion of long-term obligations (note 4) | 25 | 51 |
| | 192 | 223 |
| Long-term debt (note 4) | 500 | 100 |
| Reclamation and other liabilities (note 4) | 135 | 112 |
| Deferred income taxes (note 6) | 187 | 173 |
| | 1,014 | 608 |
| Shareholders' equity | | |
| Capital stock (note 5) | 2,358 | 1,972 |
| Retained earnings | 1,143 | 976 |
| | 3,501 | 2,948 |
| | \$ 4,515 | \$ 3,556 |

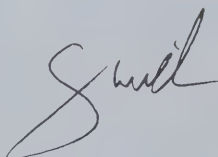
Commitments and contingencies (note 8)

See accompanying notes to consolidated financial statements.

Signed on behalf of the Board



Peter Munk
Director



Gregory C. Wilkins
Director

Notes to Consolidated Financial Statements

Barrick Gold Corporation (tabular dollar amounts in millions of United States dollars)

1 | Accounting Policies

These consolidated financial statements are prepared in accordance with accounting principles generally accepted in Canada. As described in note 10, these principles differ in certain respects from principles and practices generally accepted in the United States. Summarized below are those policies considered particularly significant for the Company. References to the Company included herein mean the Company and its consolidated subsidiaries.

The United States dollar is the principal currency of the Company's business; accordingly, these consolidated financial statements are expressed in United States dollars.

A. Nature of operations

The Company is engaged in gold mining and related activities including exploration, development, mining and processing. Gold, the Company's principal product, is produced and sold in the United States, Canada, and Chile.

B. Use of estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosures of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

C. Basis of consolidation

These consolidated financial statements include the accounts of the Company and its subsidiaries and a proportionate share of the accounts of joint ventures in which the Company has an interest.

D. Translation of foreign currencies

The United States dollar is the functional currency of all of the Company's operations which are classified as integrated for foreign currency translation purposes.

E. Financial instruments

The carrying amounts for cash, bullion settlements and other receivables, accounts payable and accrued liabilities on the balance sheets approximate fair value because of the limited term of these instruments. Long-term debt approximates fair value because the Company's current borrowing rate for similar debt instruments of comparable maturity is not materially different. See note 8(a) for additional disclosures related to financial instruments used for hedging purposes.

Fair value estimates are made at the balance sheet date, based on relevant market information and information about the financial instrument. These estimates are subjective in nature and involve uncertainties in significant matters of judgement and, therefore, cannot be determined with precision. Changes in assumptions could significantly affect these estimates.

F. Cash

Cash is comprised of cash, term deposits and treasury bills, with original maturity dates of less than 90 days.

G. Inventories

Gold in process and mine operating supplies are valued at the lower of average cost and net realizable value.

H. Property, plant and equipment

(i) *Property acquisition and deferred mine costs*

Property acquisition and deferred mine costs are recorded at cost and amortized by the units of production method based on estimated recoverable proven, probable and possible gold reserves.

(ii) *Buildings and equipment*

Buildings and equipment are recorded at cost and depreciated, net of residual value, using the straight-line method based on the estimated useful lives of the assets. The maximum estimated useful lives of buildings and mill equipment is 25 years and mine equipment is 15 years. Repairs and maintenance

expenditures are charged to operations; major improvements and replacements which extend the useful life of an asset are capitalized and depreciated over the remaining estimated useful life of that asset.

(iii) *Deferred stripping costs*

Mining costs associated with waste rock removal are deferred and charged to operating expenses on the basis of the average stripping ratio for the mine. The average stripping ratio is calculated as a ratio of the tons of material estimated to be mined to the estimated recoverable ounces of gold.

(iv) *Properties in development*

Costs incurred on assets in development are capitalized until such assets are put in service at which time the capitalized costs are depreciated in accordance with the policies described above.

Interest is capitalized on the basis of expenditures incurred for the acquisition and development of projects, without restrictions to specific borrowings for these projects, while the projects are actively being prepared for proposed production. Capitalization is discontinued when the asset is ready for its intended use.

(v) *Mineral exploration*

Mineral exploration expenditures are charged to income as incurred. Property acquisition costs relating to exploration properties and expenditures incurred on properties identified as having development potential are deferred on a project basis until the viability of the project is determined. Costs associated with economically viable projects are depreciated and amortized in accordance with the policies described above. If a project is not viable, the accumulated project costs are charged to operations in the year in which that determination is made.

I. Hedging transactions

In order to protect against the impact of falling gold prices, the Company enters into hedging transactions which provide a minimum price for designated future production. Hedging transactions include spot deferred contracts and option contracts. Contracted prices on spot deferred sales and options are recognized in gold sales as designated production is delivered to meet the commitment. In the event of early settlement of hedge contracts, gains or losses are deferred and brought into income at the originally designated delivery dates.

The Company also engages in hedging transactions to reduce the impact of fluctuations in the price of by-products and foreign currencies on its operating costs.

J. Revenue recognition

Gold in transit and at refineries is recorded at net realizable value and included in bullion settlements and other receivables and gold sales.

K. Income taxes

The Company records income and mining taxes on the tax allocation basis. Differences between amounts reported for tax purposes and for accounting purposes may result in deferred income and mining taxes. Deferred income and mining taxes relate primarily to the depreciation and amortization of property, plant and equipment costs. Unremitted earnings of the Company's foreign subsidiaries, which represent substantially all of the Company's retained earnings, have been indefinitely reinvested and accordingly no provision has been made for taxes on repatriation of these earnings.

2 Inventories

| | 1996 | 1995 |
|--|---------------|---------------|
| Current: | | |
| Gold in process | \$ 68 | \$ 55 |
| Mine operating supplies | 63 | 53 |
| | \$ 131 | \$ 108 |
| Non-current (included in property, plant and equipment): | | |
| Ore in stockpiles | \$ 93 | \$ 61 |

3 Property, Plant and Equipment

| | 1996 | | | 1995 | | |
|---|-----------------|-----------------------------|-----------------|-----------------|-----------------------------|-----------------|
| | Cost | Accumulated Depreciation | Net | Cost | Accumulated Depreciation | Net |
| Property acquisition and deferred mine costs | \$ 1,401 | \$ 360 | \$ 1,041 | \$ 1,329 | \$ 278 | \$ 1,051 |
| Buildings and equipment | 1,376 | 330 | 1,046 | 1,223 | 253 | 970 |
| Mineral properties in development | 1,303 | — | 1,303 | 276 | — | 276 |
| Deferred stripping costs and ore in stockpiles | 273 | — | 273 | 304 | — | 304 |
| Mineral exploration | 328 | — | 328 | 403 | — | 403 |
| | \$ 4,681 | \$ 690 | \$ 3,991 | \$ 3,535 | \$ 531 | \$ 3,004 |

4 Long-Term Debt, Reclamation and Other Liabilities

A. Long-term debt

On December 1, 1995, the Company entered into a credit and guarantee agreement (the "Credit Agreement") with a group of international banks (the "Lenders"). The Credit Agreement provides for the Lenders to make available to the Company and subsidiaries designated by it from time to time a credit facility in the maximum amount of \$1 billion or the equivalent amount in Canadian currency. The Credit Agreement, which is unsecured, provides for an initial five-year term which may be extended at the Company's option, subject to approval of a majority of the Lenders, on an annual basis for up to an additional three years. During 1996 the Company obtained approval to extend the Credit Agreement for one additional year. The facility has an interest rate of Libor plus 0.15% when utilized, and an annual fee of 0.075%. As at December 31, 1996 the Company utilized \$500 million under the Credit Agreement (1995 – nil), with scheduled repayment no later than 2001.

Interest expense excludes capitalized amounts of \$10 million (1995 – nil, 1994 – nil).

B. Term loan – Chile

The term loan which had a termination date of December 2000, was repaid on January 31, 1996 (1995 – \$50 million).

C. Reclamation and other liabilities

Estimated reclamation and closure costs are accrued and charged to income over the estimated life of a mine by the units of production method based on recoverable proven, probable and possible gold reserves. Although the ultimate amount of reclamation and closure costs to be incurred is uncertain, the Company has estimated planned site restoration and related obligations which it believes will meet current regulatory requirements to be \$240 million, \$143 million of which has been accrued to December 31, 1996 (1995 – \$107 million). The future changes, if any, in regulations and cost assumptions may be significant and will be recognized when applicable.

5 Capital Stock

A. Authorized capital

Authorized capital stock of the Company is comprised of an unlimited number of common shares, 9,764,929 First preferred shares, Series A and 9,047,619 Series B, and 14,726,854 Second preferred shares, Series A.

B. Issued and outstanding shares

Details of issued and outstanding shares are as follows:

| Common shares (millions) | Issued | Amount |
|--|---------------|---------------|
| Outstanding at December 31, 1993 | 286 | \$ 685 |
| Issued during 1994 | | |
| In part consideration for all the outstanding shares of Lac Minerals Ltd. (note 9) | 66 | 1,199 |
| For cash | 1 | 6 |
| Outstanding at December 31, 1994 | 353 | 1,890 |
| Issued during 1995 | | |
| In part consideration for an exploration property | 3 | 71 |
| For cash | 1 | 11 |
| Outstanding at December 31, 1995 | 357 | 1,972 |
| Issued during 1996 | | |
| In part consideration for all the outstanding shares of Arequipa Resources Ltd. (note 9) | 14 | 364 |
| For cash | 2 | 22 |
| Outstanding at December 31, 1996 | 373 | \$ 2,358 |

C. Common share purchase options

There are common share purchase options outstanding, expiring at various dates to December 8, 2006. The options vest over the first four years at a rate of one quarter each year, beginning in the year subsequent to granting and are exercisable over 7 to 10 years. As at

December 31, 1996, 17 million (1995 – 20 million, 1994 – 3 million) common shares, beyond those outstanding at year end, were available for granting of options. The following is a summary of common share purchase options:

| <i>(shares in millions)</i> | 1996 | 1995 | 1994 |
|---|------|------|------|
| Outstanding at beginning of year | 16 | 15 | 10 |
| Granted at an average price of C\$40.95 per share (1995 – C\$34.11, 1994 – C\$29.45) | 3 | 3 | 6 |
| Exercised at an average price of C\$20.09 per share (1995 – C\$13.99, 1994 – C\$13.54) | (2) | (1) | (1) |
| Cancelled | – | (1) | – |
| Outstanding at end of year | 17 | 16 | 15 |
| Outstanding at end of year consists of | | | |
| Price range C\$9.56 – C\$19.31 (weighted average – 1996 – C\$13.02, 1995 – C\$13.30, 1994 – C\$13.35) | 4 | 5 | 6 |
| Price range C\$27.88 – C\$44.25 (weighted average – 1996 – C\$33.77, 1995 – C\$31.47, 1994 – C\$30.72) | 13 | 11 | 9 |
| | 17 | 16 | 15 |
| Exercisable at end of year | | | |
| Price range C\$9.56 – C\$19.31 (weighted average – 1996 – C\$13.02, 1995 – C\$13.11, 1994 – C\$13.03) | 4 | 5 | 4 |
| Price range C\$27.88 – C\$44.25 (weighted average – 1996 – C\$31.54, 1995 – C\$31.34, 1994 – C\$32.89) | 5 | 3 | 1 |
| | 9 | 8 | 5 |

D. Net income per share

Net income per share was calculated on the basis of the weighted average number of common shares outstanding for the year which amounted to 363 million shares (1995 – 354 million shares, 1994 – 309 million shares).

Fully diluted net income per share reflects the dilutive effect of the exercise of the common share purchase options outstanding as at December 31, 1996. The number of shares for the fully diluted net income per share calculation was 367 million shares (1995 – 366 million shares, 1994 – 318 million shares).

Interest on the funds which would have been received had the options been exercised of \$1 million, net of income tax, has been imputed at a rate of 5.5% per annum.

E. Dividends

In 1996, the Company declared and paid dividends in United States dollars totaling \$0.14 per share (1995 – \$0.12 per share, 1994 – \$0.10 per share).

6 Income Taxes

As the Company operates in a specialized industry and in several tax jurisdictions its income is subject to varying rates of taxation. A reconciliation of the

Canadian federal income tax rate with the Company's effective income tax rate is set out below:

| | 1996 | 1995 | 1994 |
|---|----------|----------|----------|
| Canadian federal income tax rate | 38.0% | 38.0% | 38.0% |
| Increase (decrease) resulting from: | | | |
| Resource and depletion allowances | (14.8) | (12.6) | (9.9) |
| Tax rates of other jurisdictions | (6.6) | (4.8) | (5.0) |
| Exploration expenditures not tax effected | 6.4 | 2.1 | — |
| Non-deductible depreciation and depletion arising from acquisitions | 1.2 | 2.8 | — |
| Miscellaneous | 0.5 | (0.4) | 2.3 |
| Effective rate of income tax expense | 24.7% | 25.1% | 25.4% |
| The principal timing differences and their tax effect are as follows: | | | |
| Deferred mining and exploration costs | \$ (18) | \$ (13) | \$ (18) |
| Depreciation, depletion and amortization | 4 | (2) | (4) |
| Other items | — | — | 3 |
| | \$ (14) | \$ (15) | \$ (19) |
| Details of income tax expense are as follows: | | | |
| Current | \$ (58) | \$ (83) | \$ (66) |
| Deferred | (14) | (15) | (19) |
| | \$ (72) | \$ (98) | \$ (85) |
| The components of the Company's deferred tax liability at December 31 are as follows: | | | |
| Deferred income tax asset (liability) | | | |
| Reclamation | \$ 39 | \$ 32 | \$ 35 |
| Operating loss carryforwards | 19 | 19 | 16 |
| Property, plant and equipment | (245) | (224) | (209) |
| Deferred income tax | \$ (187) | \$ (173) | \$ (158) |

7 Business Segments

The Company operates in the gold mining industry primarily in four geographic areas: The United States, Canada, Chile and Peru.

| | 1996 | 1995 | 1994 |
|---|-----------------|-----------------|-----------------|
| Revenues | | | |
| Gold sales | | | |
| United States | \$ 953 | \$ 961 | \$ 825 |
| Canada | 209 | 190 | 83 |
| Chile | 137 | 130 | 28 |
| | \$ 1,299 | \$ 1,281 | \$ 936 |
| Depreciation and amortization | | | |
| United States | \$ 95 | \$ 105 | \$ 80 |
| Canada | 44 | 39 | 19 |
| Chile | 44 | 37 | 7 |
| | \$ 183 | \$ 181 | \$ 106 |
| Net income | | | |
| Operating income | | | |
| United States | \$ 371 | \$ 405 | \$ 349 |
| Canada | 59 | 31 | 9 |
| Chile | (5) | 29 | 15 |
| | 425 | 465 | 373 |
| Exploration | (66) | (49) | (21) |
| Write-off of exploration property (Peru) | (45) | — | — |
| General corporate expenses, net | (24) | (26) | (16) |
| Income taxes | (72) | (98) | (85) |
| | \$ 218 | \$ 292 | \$ 251 |
| Identifiable assets by geographic area | | | |
| United States | \$ 1,896 | \$ 1,883 | \$ 1,820 |
| Chile | 1,280 | 1,138 | 915 |
| Peru | 818 | 45 | 35 |
| Canada | 475 | 411 | 513 |
| Other countries | 46 | 79 | 189 |
| Total assets | \$ 4,515 | \$ 3,556 | \$ 3,472 |

8 Commitments and Contingencies

A. Hedging

As part of its gold hedging program the Company has entered into spot deferred contracts with several major financial institutions to deliver 6.7 million ounces of gold or 13% of the Company's gold reserves at December 31, 1996. The contracts have an average price of \$405 per ounce at their initial maturity dates. Based on existing designated contracts, forward rates and production targets, the Company expects to realize \$420 per ounce in 1997 for its gold sales. The Company has further contracts in place designated from 1998 to 2001. Delivery under these spot deferred contracts can be deferred at the Company's option for up to ten years.

As a portion of the Company's operating costs and capital expenditures are denominated in foreign currencies, it has entered into forward exchange contracts to maintain its purchasing power relative to the United States dollar. As at December 31, 1996, the Company has committed to spend \$89 million in 1997 and \$33 million in 1998 to purchase Chilean indexed pesos with an expected exchange rate equivalent to 429 pesos and 449 pesos per \$1.00 respectively. In addition the Company has entered into foreign exchange contracts to purchase C\$220 million in 1997 at an exchange rate of \$0.73 for each Canadian dollar, and an additional C\$167 million in subsequent years at various rates under \$0.72 for each Canadian dollar. The Company has entered into a series of copper put options which provides a minimum price of \$0.92 per pound for 100 million pounds of the Company's 1997 copper production. Copper is accounted for as a by-product with the proceeds being credited to operating costs.

The Company regularly monitors its metal and currency exposures and ensures that hedge contract amounts do not exceed the amounts of underlying exposures. The Company does not hold or issue financial instruments or derivative financial instruments for trading purposes. Realization under these hedge contracts is dependent upon the ability of the counterparties to perform in accordance with the terms of the contracts, however, the Company's risk is limited to unrealized gains existing at any time. The Company attempts to minimize its credit exposure by limiting

its counterparties to major financial institutions which meet the Company's credit rating standards, limiting the maximum exposure to any one counterparty, and spreading exposure among a minimum number of counterparties. The Company does not require collateral from its counterparties. The aggregate unrealized gain of the net market value of the Company's hedge position based on forward rates and the gold price of \$369 per ounce as at December 31, 1996 amounted to approximately \$270 million.

B. Royalties

Most of the properties comprising the Betze-Post and Meikle Mines are subject to a 4% net smelter return and a 5% net profits interest royalty payable on the valuable minerals produced from the properties. El Indio and Tambo Mines are subject to a net smelter return royalty of 2% on gold and 3% on copper produced from the properties.

C. Environmental

The Company's mining and exploration activities are subject to various federal, provincial and state laws and regulations governing the protection of the environment. These laws and regulations are continually changing and generally becoming more restrictive. The Company conducts its operations so as to protect the public health and environment and believes its operations are materially in compliance with all applicable laws and regulations. The Company has made, and expects to make in the future, expenditures to comply with such laws and regulations.

D. Claims

The Company is from time to time involved in various claims, legal proceedings and complaints arising in the ordinary course of business. The Company is also subject to reassessment for income and mining taxes for certain years. It does not believe that adverse decisions in any pending or threatened proceedings related to any potential tax assessments or other matters, or any amount which it may be required to pay by reason thereof, will have material adverse effect on the financial condition or future results of operations of the Company.

9 Property and Business Acquisitions

A. Arequipa Resources Ltd.

On August 27, 1996 Barrick acquired Arequipa Resources Ltd., a gold exploration company, with its principal exploration property located in Peru, at a cost of \$790 million. This was in exchange for 14 million shares of Barrick and \$426 million cash. The company had \$4 million in cash at the date of acquisition. The Company has assigned a value of \$364 million to the Barrick shares as required by generally accepted accounting principles, based upon the quoted market price for the shares less a 5% discount which represents the issue costs that would otherwise have been incurred. The acquisition has been accounted for as a purchase with the full consideration allocated to its principal gold development project, Pierina.

B. Lac Minerals Ltd.

On September 6, 1994 Barrick acquired Lac Minerals Ltd., an international gold mining company with operating mines in Canada, the United States and Chile, at a cost of \$1.36 billion. This was in exchange for 66 million shares of Barrick and \$153 million cash. Consistent with the Company's prior practice, it has assigned a fair value to the shares exchanged that is less than the quoted market price of Barrick shares at the time of the issue. While previous share issues have resulted in smaller adjustments to the quoted market price, the extremely large number of shares exchanged in this transaction (23% of the Company's then issued shares) resulted in an assigned fair value of the shares exchanged of \$18.12 per share compared to the then current quoted market price of \$22.65 per share. The fair value assigned to the shares exchanged was determined in consultation with the Company's investment advisors. As required by generally accepted accounting principles, the assigned fair value of the 66 million shares exchanged was based on: the quoted market price of the shares after recognizing the effect such a large transaction would have on the market had they been issued for cash, price fluctuations, issue costs and similar factors.

The acquisition has been accounted for as a purchase and, accordingly, these consolidated financial statements include the results of operations from the date of acquisition. The value of the assets and liabilities acquired, based on the consideration paid, was as follows:

| | |
|---|-----------------|
| Assets | |
| Cash | \$ 427 |
| Other current assets | 114 |
| Property acquisition, buildings and equipment | 1,454 |
| | 1,995 |
| Liabilities | |
| Current liabilities | 238 |
| Long-term liabilities | 332 |
| Deferred income taxes | 60 |
| | 630 |
| Net assets at values assigned | \$ 1,365 |
| Consideration | |
| Cash | \$ 153 |
| Common shares (66 million shares) | 1,199 |
| Costs of acquisition | 13 |
| Total consideration | 1,365 |
| Cash acquired | (428) |
| Common shares issued | (1,199) |
| Cash provided by acquisition | \$ 262 |

10 Differences from United States Accounting Principles

These consolidated financial statements have been prepared in accordance with accounting principles generally accepted in Canada. United States generally accepted accounting principles differ in the following material areas:

A. Acquisitions

The acquisitions as described in note 9 would have been accounted for based on the US GAAP method used to value shares issued as consideration. In determining the value of the shares exchanged in the acquisitions, for accounting purposes under US GAAP, the Company has used the unadjusted quoted market price of its shares based on the understanding that US GAAP, including the Securities and Exchange Commission requirements, only permits adjustments to quoted market price in very limited circumstances such as where the holders are restricted in their ability to sell the securities exchanged.

In addition, the acquisitions would have been accounted for gross of underlying tax effects of treating non-deductible acquisition costs as temporary differences as required by FAS No. 109 with an offsetting credit to deferred income taxes. This method of accounting would have no effect on the Company's reported net income for the year. The Company monitors other differences between Canadian and U.S. GAAP, none of which have a material effect on the Company's reported net income for the year.

The following summarizes the balance sheet amounts in accordance with US GAAP where different from the amounts reported under Canadian GAAP:

B. Deferred tax liabilities

The amount of unrecognized deferred tax liability for temporary differences related to the Company's investments in the United States and Chile which are essentially permanent in duration is \$226 million (1995 – \$259 million).

C. Stock-based compensation

Effective in 1996, US GAAP encourages, but does not require companies to include in compensation cost the fair-value of stock options granted to employees. Barrick has decided not to adopt the fair-value method. A company that does not adopt this new method must disclose the cost of stock compensation awards, at their fair-value, at the date the award is granted. The fair-value of the Company's options was estimated using the Black-Scholes model with assumptions of a four and one half year expected term, 30% volatility, interest rates ranging from 5.2% to 7.4% and an expected dividend yield of 0.45%. Under US GAAP the cost of stock compensation for the year ended December 31, 1996 would be \$7 million (1995 – \$2 million). The resulting pro forma net income and earnings per share for the year ended December 31, 1996 is \$211 million and \$0.58 respectively (1995 – \$290 million and \$0.81 respectively).

| | 1996 | | 1995 | |
|-------------------------------|---------------|--------------------|---------------|--------------------|
| | Canadian GAAP | United States GAAP | Canadian GAAP | United States GAAP |
| Property, plant and equipment | \$ 3,991 | \$ 4,572 | \$ 3,004 | \$ 3,522 |
| Deferred income taxes | 187 | 481 | 173 | 391 |
| Capital stock | 2,358 | 2,651 | 1,972 | 2,272 |

Management Responsibility for Financial Statements

The accompanying consolidated financial statements and all of the data included in this annual report have been prepared by and are the responsibility of the Board of Directors and Management of the Company. The consolidated financial statements have been prepared in accordance with accounting principles generally accepted in Canada and reflect Management's best estimates and judgments based on currently available information. The Company has developed and maintains a system of internal accounting controls in order to ensure, on a reasonable and cost effective basis, the reliability of its financial information.

The consolidated financial statements have been audited by Coopers & Lybrand, Chartered Accountants. Their report outlines the scope of their examination and opinion on the consolidated financial statements.



Randall Oliphant

Executive Vice President and Chief Financial Officer
Toronto, Canada
February 28, 1997

Auditors' Report to the Shareholders of Barrick Gold Corporation

We have audited the consolidated balance sheets of Barrick Gold Corporation as at December 31, 1996 and 1995 and the consolidated statements of income, retained earnings and cash flow for each of the three years in the period ended December 31, 1996. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with generally accepted auditing standards. Those standards require that we plan and perform an audit to obtain reasonable assurance whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting

principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation.

In our opinion, these consolidated financial statements present fairly, in all material respects, the financial position of the Company as at December 31, 1996 and 1995 and the results of its operations and its cash flow for each of the three years in the period ended December 31, 1996 in accordance with accounting principles generally accepted in Canada.



Chartered Accountants
Toronto, Canada
January 24, 1997

Supplemental Information

ELEVEN-YEAR HISTORICAL REVIEW*

| | 1996 | 1995 | 1994 | 1993 |
|---|----------|----------|----------|----------|
| Operating results <i>(in millions)</i> | | | | |
| Revenues | \$ 1,318 | \$ 1,307 | \$ 954 | \$ 681 |
| Net income (loss) | 218 | 292 | 251 | 213 |
| Operating cash flow | 463 | 502 | 376 | 317 |
| Capital expenditures | 374 | 385 | 272 | 165 |
| Per share data | | | | |
| Net income (loss) per share | \$ 0.60 | \$ 0.82 | \$ 0.80 | \$ 0.74 |
| Cash dividends per share | \$ 0.140 | \$ 0.120 | \$ 0.100 | \$ 0.080 |
| Financial position <i>(in millions)</i> | | | | |
| Cash and short-term investments | \$ 245 | \$ 284 | \$ 458 | \$ 348 |
| Total assets | 4,515 | 3,556 | 3,472 | 1,635 |
| Working capital | 291 | 285 | 367 | 270 |
| Long-term obligations | 635 | 212 | 408 | 225 |
| Shareholders' equity | 3,501 | 2,948 | 2,617 | 1,191 |
| Debt to equity % | 18% | 7% | 16% | 19% |
| Operational statistics <i>(unaudited)</i> | | | | |
| Gold production <i>(thousands of ounces)</i> | 3,149 | 3,141 | 2,326 | 1,632 |
| Cash operating costs per ounce | \$ 193 | \$ 180 | \$ 165 | \$ 168 |
| Average price realized per ounce of gold sold | 415 | 406 | 402 | 409 |
| Average spot price of gold per ounce | 388 | 384 | 384 | 360 |
| Reserves (proven and probable) <i>(thousands of ounces)</i> | 51,117 | 36,539 | 37,589 | 28,439 |

*Information has been derived from audited financial statements, except as indicated.

QUARTERLY DATA

| <i>(unaudited)</i> <i>(in millions except per share data)</i> | March | | June | | September | | December | |
|--|---------|---------|---------|---------|-----------|---------|----------|---------|
| | 1996 | 1995 | 1996 | 1995 | 1996 | 1995 | 1996 | 1995 |
| Revenues | | | | | | | | |
| Gold sales | \$ 329 | \$ 300 | \$ 326 | \$ 309 | \$ 314 | \$ 295 | \$ 330 | \$ 377 |
| Interest and other income | 5 | 6 | 6 | 10 | 5 | 7 | 3 | 3 |
| | 334 | 306 | 332 | 319 | 319 | 302 | 333 | 380 |
| Costs and expenses | | | | | | | | |
| Operating | 163 | 148 | 172 | 151 | 174 | 148 | 182 | 188 |
| Depreciation and amortization | 46 | 40 | 45 | 44 | 43 | 42 | 49 | 55 |
| Administration | 8 | 7 | 9 | 8 | 8 | 6 | 8 | 10 |
| Exploration | 16 | 9 | 15 | 9 | 15 | 13 | 20 | 18 |
| Interest | 4 | 5 | 4 | 6 | 2 | 5 | — | 5 |
| Write-off of exploration property | — | — | — | — | 45 | — | — | — |
| | 237 | 209 | 245 | 218 | 287 | 214 | 259 | 276 |
| Income before taxes | 97 | 97 | 87 | 101 | 32 | 88 | 74 | 104 |
| Income taxes | (25) | (26) | (18) | (26) | (11) | (20) | (18) | (26) |
| Net income for the period | \$ 72 | \$ 71 | \$ 69 | \$ 75 | \$ 21 | \$ 68 | \$ 56 | \$ 78 |
| Net income per share | | | | | | | | |
| Basic | \$ 0.20 | \$ 0.20 | \$ 0.19 | \$ 0.22 | \$ 0.06 | \$ 0.19 | \$ 0.15 | \$ 0.22 |
| Fully diluted | \$ 0.20 | \$ 0.20 | \$ 0.19 | \$ 0.21 | \$ 0.06 | \$ 0.19 | \$ 0.15 | \$ 0.22 |

| 1992 | 1991 | 1990 | 1989 | 1988 | 1987 | 1986 |
|----------|----------|----------|----------|----------|----------|-----------|
| \$ 554 | \$ 369 | \$ 283 | \$ 228 | \$ 163 | \$ 103 | \$ 74 |
| 175 | 92 | 58 | 34 | 28 | 16 | (1) |
| 283 | 160 | 94 | 77 | 50 | 34 | 20 |
| 256 | 246 | 174 | 205 | 178 | 100 | 17 |
| \$ 0.61 | \$ 0.34 | \$ 0.23 | \$ 0.14 | \$ 0.12 | \$ 0.08 | \$ (0.01) |
| \$ 0.065 | \$ 0.055 | \$ 0.040 | \$ 0.030 | \$ 0.020 | \$ 0.010 | — |
| \$ 288 | \$ 252 | \$ 312 | \$ 305 | \$ 51 | \$ 167 | \$ 2 |
| 1,499 | 1,301 | 1,143 | 1,012 | 668 | 664 | 295 |
| 210 | 211 | 274 | 272 | 35 | 176 | 12 |
| 322 | 311 | 363 | 419 | 256 | 279 | 110 |
| 984 | 832 | 636 | 484 | 352 | 304 | 77 |
| 33% | 37% | 57% | 87% | 73% | 92% | 143% |
| 1,325 | 790 | 596 | 468 | 341 | 225 | 186 |
| \$ 162 | \$ 204 | \$ 217 | \$ 222 | \$ 223 | \$ 210 | \$ 197 |
| 422 | 438 | 437 | 436 | 446 | 419 | 348 |
| 345 | 362 | 384 | 382 | 437 | 447 | 368 |
| 25,719 | 24,377 | 19,510 | 19,877 | 17,083 | 10,813 | 3,100 |

Financial Terms

Cash operating costs: include site costs for all mining (excluding deferred stripping costs), processing and administration, but are exclusive of royalties, production taxes, depreciation, reclamation, financing costs, capital costs and exploration costs.

Contango: contango on gold is the positive difference between the spot market gold price and the forward market gold price. It is often expressed as an interest rate and is the difference between inter-bank deposit rates and gold lending rates.

Deferred stripping costs: mining costs associated with waste rock removal that are deferred and charged to income on the basis of the average stripping ratio for the

mine. The average stripping ratio is calculated as a ratio of the tons of material estimated to be mined to the estimated recoverable ounces of gold. At the start of a mine's productive life costs on a per-ounce basis are usually higher than in later years as the mining rate is above the life-of-mine stripping ratio. In later years, as the mining rate falls below the life-of-mine stripping ratio, the deferred costs are charged to operating costs.

Net profits interest: a royalty based on the profit remaining after recapture of certain operating, capital and other costs.

Net smelter return: a royalty based on a percentage of valuable minerals produced with settlement

made either in kind or in currency based on the spot sale proceeds received less the cost of refining at an off-site refinery.

Ratio of debt to equity: a measure of a company's financial strength which illustrates how much of the funds it uses were borrowed compared with how much were invested by shareholders or were in the form of earnings retained by the company.

Spot deferred contract: a spot deferred contract is a forward sale with a flexible delivery date. The ultimate delivery date and sale price are not fixed on the contract. If it is rolled over, the new contract price is based on the price at maturity in the old contract plus contango.

Mining Terms

Adit: a tunnel driven horizontally into a mountainside providing access to a mineral deposit.

Autoclave system: oxidation process in which high temperatures and pressures are applied to convert refractory sulphide mineralization into amenable oxide ore.

Backfilling: waste material used to fill the void created by mining an ore body.

Ball mill: a steel cylinder loaded with steel balls into which crushed ore is fed. The ball mill is rotated, causing the balls to cascade and grind the ore.

By-product: a secondary metal or mineral product recovered in the milling process.

Carbon-in-leach: a recovery process in which a slurry of gold ore, carbon granules and cyanide are mixed together. The cyanide dissolves the gold content and the gold is adsorbed on the carbon. The carbon is subsequently separated from the slurry for further gold removal.

Carbon-in-pulp: similar to carbon-in-leach process, but initially the slurry is subjected to cyanide leaching in separate tanks followed by carbon-in-pulp. Carbon-in-pulp is a sequential process whereas carbon-in-leach is a simultaneous process.

Collar: the term applied to the timbering or concrete around the mouth of a shaft and the start of a drill hole.

Contained ounces: represents ounces in the ground without the reduction of ounces not recovered by the applicable metallurgical process.

Concentrate: a powdery product containing the valuable ore mineral from which most of the waste material has been eliminated.

Cut-and-fill: a method of stoping in which ore is removed in slices or lifts, and then the excavation is filled with rock or other waste material (backfill) before the subsequent slice is mined.

Cyanidation: a method of extracting gold or silver by dissolving it in a weak solution of sodium cyanide.

Development: underground work carried out for the purpose of opening up a mineral deposit. Includes shaft sinking, crosscutting, drifting and raising.

Doré: unrefined gold and silver bullion bars usually consisting of approximately 90 percent precious metals which will be further refined to almost pure metal.

Drift: a horizontal tunnel driven alongside an ore deposit, from either an adit or shaft, to gain access to the deposit.

Drilling

Diamond: drilling with a hollow bit with a diamond cutting rim to produce a cylindrical core that is used for geological study and assays. Used in mine exploration.

Infill: diamond drilling at shorter intervals between existing holes, used to provide greater geological detail and to help establish reserve estimates.

Reverse circulation: drilling that produces rock chips rather than core. Faster and cheaper than diamond drilling, the chips are forced by air to the surface and are collected for examination.

Exploration: prospecting, sampling, mapping, diamond

drilling and other work involved in searching for ore.

Flotation: a process by which some mineral particles are induced to become attached to bubbles and float, and other particles to sink, so that the valuable minerals are concentrated and separated from the worthless gangue or waste.

Gold mineralized material: mineralization based on geological evidence and assumed continuity. May or may not be supported by samples but is supported by geological, geochemical, geophysical or other data. This material is sufficiently geologically defined to be deemed to be potentially economic, yet is not in a definitive mine plan. This material requires a reasonable cut-off grade criteria and has no untenable non-technical issues barring its exploitation.

Grade: the amount of valuable mineral in each ton of ore, expressed as troy ounces per ton or grams per tonne for precious metals and as a percentage for other metals.

Cut-off grade: the minimum metal grade at which an ore body can be economically mined.

Millhead grade: metal content of mined ore going into a mill for processing. Usually lower than reserve grade because of dilution.

Recovered grade: actual metal content of ore determined after processing.

Reserve grade: estimated metal content of an ore body, based on reserve calculations.

Heap leaching: a process whereby gold is extracted by "heaping" broken ore on sloping impermeable pads and repeatedly spraying the heaps with a weak cyanide

solution which dissolves the gold content. The gold-laden solution is then collected for gold recovery.

Long-hole open stope:

a method of mining involving the drilling of holes up to 90 feet long into an orebody and then blasting a slice of rock which falls into an open space. The broken rock is extracted and the resulting open chamber is not filled with supporting material.

Mill: a plant where ore is ground fine and undergoes physical or chemical treatment to extract the valuable metals.

Open pit: a mine that is entirely on the surface.

Ore: rock, generally containing metallic or non-metallic minerals, that can be mined and processed at a profit.

Ore body: a sufficiently large amount of ore that can be mined economically.

Oxide ore: mineralized rock in which some of the original minerals have been oxidized. Oxidation tends to make the ore more porous and permits a more complete permeation of cyanide solutions so that minute particles of gold in the interior of the minerals will be readily dissolved.

Ramp: an inclined underground tunnel which provides access for exploration or a connection between levels of a mine.

Reclamation: the process by which lands disturbed as a result of mining activity are reclaimed back to a beneficial land use. Reclamation activity includes the removal of buildings, equipment, machinery and other physical remnants of mining, closure of tailings impoundments, leach pads and other mine features, and contouring, covering and revegetation of waste rock piles and other disturbed areas.

Recovery rate: a term used in process metallurgy to indicate the proportion of valuable material obtained in the processing of an ore. It is generally stated as a percentage of the material recovered compared to the total material present.

Refractory material: gold mineralized material in which the gold is not amenable to recovery by conventional cyanide methods without any pre-treatment. The refractory nature can be either silica or sulphide encapsulation of the gold or the presence of naturally occurring carbons which reduce gold recovery.

Reserves: that part of a mineral deposit which could be economically and legally extracted or produced at the time of the reserve determination. Reserves are customarily stated in terms of ore when dealing with metalliferous minerals. There are two categories of reserves:

Proven ore: material for which tonnage and grade are computed from dimensions revealed in outcrops, trenches, underground workings or drill holes; grade is computed from the results of adequate sampling; and the sites for inspection, sampling and measurement are so spaced and the geological character so well-defined that size, shape and mineral content are established.

Probable ore: material for which tonnage and grade are computed partly from specific measurements, samples or production data and partly from projection for a reasonable distance on geological evidence; and for which the sites available for inspection, measurement and sampling are too widely or otherwise inappropriately spaced to outline the material completely or to establish its grade throughout.

Roasting: the treatment of ore by heat and air, or oxygen enriched

air, in order to remove sulphur, carbon, antimony and arsenic.

Semi-autogenous grinding (SAG): a method of grinding rock into fine powder whereby the grinding media consist of larger chunks of rock and steel balls.

Shaft: a vertical passageway to an underground mine for moving personnel, equipment, supplies and material including ore and waste rock.

Smelting: a metallurgical operation in which metal is separated from impurities by a process that includes fusion.

Stope: an area in an underground mine where ore is mined.

Stripping ratio: the ratio of the number of tons of waste material removed to the number of tons of ore removed, used in connection with open pit mining.

Sulphide ore: a sub-group of refractory ore – mineralized rock in which much of the gold is encapsulated in sulphides and is not readily amenable to dissolution by cyanide solutions – associated with sulphide minerals (primarily pyrite) that have not been oxidized. Some sulphide ore may require autoclaving or roasting prior to milling.

Tailings: the material that remains after all metals considered economic have been removed from ore during milling.

Troy ounce: troy ounce of a fineness of 999.9 parts per 1,000 parts, equal to 31.1034 grams.

Water management: process whereby the groundwater table in the mining area is lowered by pumping water from wells, and the water is conveyed and used or recharged to the groundwater system through infiltration, reinjection or irrigation return.

Shareholder Information

Barrick remains
the most profitable gold
mining company in
the world with the best
10-year share-price
performance of any
major gold producer.
The Company's
aim is to produce
superior performance
for its shareholders
on a consistent basis.

Shares traded on six major international stock exchanges

| | |
|----------|--------|
| New York | London |
| Toronto | Paris |
| Montreal | Swiss |

Ticker Symbol

ABX
ABR on Swiss Exchange

Index Listings

S&P 500 Index
TSE 35
TSE 100
TSE 300
TSE Gold & Precious Minerals Index
FT of London Gold Index
Philadelphia Gold/Silver Index

Number of Shareholders

15,646

Common Shares

(millions)

| | |
|-------------------------------------|-----|
| Outstanding at December 31, 1996 | 373 |
| Weighted average | |
| – Basic | 363 |
| – Fully diluted | 367 |

Annual Dividend per Share

US 14¢

Volume of Shares Traded

| (millions) | 1996 | 1995 |
|------------|------|------|
| NYSE | 327 | 269 |
| TSE | 259 | 197 |

Closing Price of Shares

(December 31, 1996)

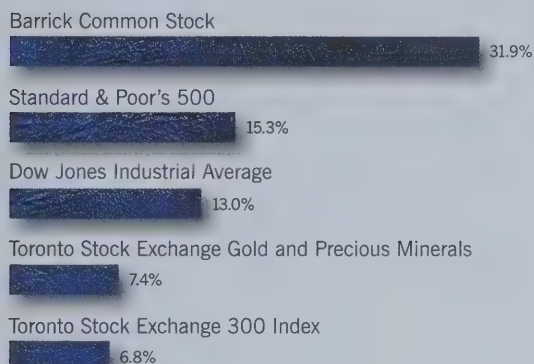
| | |
|------|------------|
| NYSE | US\$ 28.75 |
| TSE | C\$ 39.25 |

SHARE TRADING INFORMATION

| | Quarter | Share Volume (millions) | High | Low |
|--------------------------------|---------|----------------------------|------------|------------|
| Toronto Stock Exchange | | | | |
| 1996 | First | 78 | C\$ 45.00 | C\$ 36.13 |
| | Second | 44 | 43.75 | 36.60 |
| | Third | 48 | 40.00 | 33.50 |
| | Fourth | 89 | 41.50 | 33.90 |
| 1995 | First | 61 | C\$ 35.62 | C\$ 27.87 |
| | Second | 53 | 37.25 | 30.75 |
| | Third | 36 | 37.25 | 33.25 |
| | Fourth | 47 | 38.00 | 30.62 |
| New York Stock Exchange | | | | |
| 1996 | First | 106 | US\$ 32.88 | US\$ 26.63 |
| | Second | 82 | 32.13 | 26.88 |
| | Third | 59 | 29.50 | 24.63 |
| | Fourth | 80 | 30.50 | 25.13 |
| 1995 | First | 86 | US\$ 25.50 | US\$ 19.75 |
| | Second | 68 | 27.00 | 22.62 |
| | Third | 56 | 27.50 | 24.75 |
| | Fourth | 59 | 27.62 | 22.75 |

The Company's shares were split on a two-for-one basis in 1987, 1989 and 1993.

Compound Annual Total Returns to Investors for the Ten-Year Period ended December 31, 1996



Share Performance



Shareholder Contacts

Shareholders are welcome to contact the Company for information or questions concerning their shares. For general information on the Company, contact the Investor Relations Department.

For information on such matters as share transfers, dividend cheques and change of address, inquiries should be directed to the Secretary of Barrick or the Transfer Agent. Addresses and telephone numbers of the Transfer Agent are listed on this page.

French and Spanish versions of this annual report are available from Investor Relations at the Corporate Office.

Dividend Payments

In 1996, the Company paid a cash dividend of \$0.14 per share – \$0.07 on June 14 and \$0.07 on December 16. A cash dividend of \$0.12 per share was paid in 1995 – \$0.06 on June 15 and \$0.06 on December 15.

Dividend Policy

The Company anticipates increasing cash dividends as earnings and cash flow rise. However, dividends will remain modest as it is the Company's intention to retain most of its earnings to support current operations, to fund exploration and development projects, and to fund acquisitions of gold properties.

Form 40-F

Annual Report on Form 40-F is filed with the United States Securities and Exchange Commission. This report will be made available to shareholders, without charge, upon written request to the Secretary of the Company at the Corporate Office.

Annual Meeting

The Annual General Meeting of Shareholders will be held on Thursday, May 1, 1997 at 11:00 a.m. in the Canadian Room, Royal York Hotel, Toronto, Ontario.

Transfer Agents and Registrars

The R-M Trust Company
Corporate Trust Services
393 University Avenue, 5th Floor
Toronto, Ontario M5G 2M7
Telephone: (416) 813-4600
Toll-free within Canada and
United States: 1-800-387-0825

Chemical Mellon
Shareholder Services
85 Challenger Road
Overpeck Center
Ridgefield Park, New Jersey 07660
Telephone: (201) 296-4002
Toll-free within United States:
1-800-526-0801

Dividend Reinvestment Program

The Canadian Shareowners Association, a non-profit educational organization of retail investors, has selected Barrick to be a part of its dividend reinvestment program for Canadian investors. Barrick shareholders interested in this program should contact the Association at: Telephone: (519) 252-1555 Fax: (519) 252-9570

Board of Directors

Howard L. Beck, Q.C.

*Toronto, Ontario
Chairman, Philip Environmental Inc.*

Mr. Beck was a founding Partner of the law firm Davies, Ward & Beck. He has been on the Barrick Board since 1984.

C. William D. Birchall

*Toronto, Ontario
Vice-Chairman,
Barrick Gold Corporation*

Mr. Birchall has had a long association with Barrick, being one of the original Board members of the Company.

John K. Carrington

*Thornhill, Ontario
President and
Chief Operating Officer,
Barrick Gold Corporation*

Mr. Carrington assumed his present position and became a member of the Board of Directors at the end of 1996. He joined Barrick in 1995 as Executive Vice-President, Operations.

Marshall A. Cohen, O.C.

*Toronto, Ontario
Counsel, Cassels Brock & Blackwell*

Mr. Cohen served the Government of Canada for 15 years in a number of senior positions including Deputy Minister of Finance. He has been a Director of Barrick since 1988.

Peter A. Crossgrove

*Toronto, Ontario
President and Chief Executive Officer,
Southern Africa Minerals Corporation*

Prior to January 1993, he was Vice-Chairman and Acting Chief Executive Officer of Placer Dome Inc. He has been a Director of Barrick since 1993.

The Honourable

J. Trevor Eyton, O.C., Q.C.

*Caledon, Ontario
Chairman, Brascan Limited and
Trilon Financial Corporation
Member of the Senate of Canada*

Mr. Eyton has been a member of the Senate of Canada and on Barrick's Board since 1990.

David H. Gilmour

*Los Angeles, California
Chairman,
Wakaya Group Holdings Limited*

David Gilmour was one of the original partners in Barrick and has been on the Board since the Company's inception.

Angus A. MacNaughton

*Danville, California
President,
Genstar Investment Corporation*

Mr. MacNaughton is a Vice-Chairman of Barrick. He has been a member of the Board since 1986.

The Right Honourable

Brian Mulroney, P.C., LL.D.

*Montreal, Quebec
Senior Partner, Ogilvy Renault*

Mr. Mulroney was Prime Minister of Canada from 1984 to 1993. He joined the Barrick Board in 1993 and is Chairman of the Company's International Advisory Board.

Anthony Munk

*Toronto, Ontario
Vice-President, Onex Corporation*

Mr. Munk became a member of the Board of Directors, effective December 10, 1996.

Peter Munk, O.C.

*Toronto, Ontario
Chairman and
Chief Executive Officer,
Barrick Gold Corporation*

Peter Munk is the founder, Chairman of the Board and Chief Executive Officer of Barrick Gold Corporation. He is also founder and Chairman and Chief Executive Officer of TrizecHahn Corporation (formerly Horsham Corporation).

The Honorable Edward N. Ney

*New York, New York
Chairman, Board of Advisors,
Burson-Marsteller*

From 1989 to 1992, Edward Ney was United States Ambassador to Canada. He has been a Director of Barrick since 1992.

Joseph L. Rotman, O.C.

*Toronto, Ontario
Chairman and
Chief Executive Officer,
Clairvest Group Inc.*

Joseph Rotman is also the founder and Chairman of Tarragon Oil and Gas Limited. He has been a Director of Barrick since its inception.

Robert M. Smith

*Oakville, Ontario
Vice-Chairman,
Barrick Gold Corporation*

Robert Smith became a Vice-Chairman of Barrick at the end of 1996 and has been a Director since 1985. Mr. Smith has enjoyed a distinguished career in the gold mining industry and, as President and Chief Operating Officer, managed the rapid growth of the Company since 1987.

Gregory C. Wilkins

*Markham, Ontario
President and
Chief Operating Officer,
TrizecHahn Corporation*

Mr. Wilkins was Executive Vice President and Chief Financial Officer of Barrick until his appointment at Horsham in September 1993. He assumed his present position in 1996 with the merger of Trizec Corporation Ltd. and Horsham Corporation. He has been a member of the Board since 1991.

Corporate Governance

The Company, the Board of Directors and management of Barrick emphasize effective corporate governance. Accordingly, they have developed systems and procedures that are appropriate to the Company and its business. The Board of Directors is continuing to monitor its governance practices to ensure they continue to be appropriate and responsive to changing circumstances.

Board Mandate

Barrick's management is responsible for the Company's day-to-day operations, for proposing its strategic direction and presenting budget and business plans to the Board of Directors for approval. All major acquisitions, dispositions and investments, as well as significant financing and other significant matters outside the ordinary course of Barrick's

business, are subject to approval by the Board of Directors.

Board Constitution

Barrick's Board of Directors is currently comprised of 15 directors, the majority of whom are unrelated to the Company. The composition of the Board reflects a breadth of background and experience that is important for effective governance of a company in the mining industry.

Board Operations

The Board of Directors has established six committees, including the audit, compensation and stock option, corporate governance and nominating, executive, environmental, occupational health and safety and finance committees. The mandates of these committees are described below. The audit, corporate governance and nominating and compensation and stock

option committees are comprised entirely of unrelated directors. The Board of Directors believes that it is desirable for the majority of the Executive Committee to be related to the Company since its mandate requires members to be available on very short notice to deal with significant issues. All action approved by the Executive Committee is subsequently brought to the attention of the full Board of Directors. The fact that a majority of the members of the Environmental, Occupational Health and Safety Committee and the Finance Committee are related to the Company is balanced by the fact that the recommendations of the Committees are considered by the full Board of Directors.

A detailed Statement of Corporate Governance practices appears in the Company's Information Circular.

Committees of the Board

Audit Committee:

(P.A. Crossgrove, J.T. Eyton, J.L. Rotman)

Responsible for reviewing the Company's financial statements with management and the external auditors. The Committee also reviews the external audit plan, the adequacy of internal control systems and meets with the external auditors to discuss financial issues relevant to the Company.

Executive Committee:

(P.A. Crossgrove, A.A. MacNaughton, P. Munk, R.M. Smith, G.C. Wilkins)

Exercises all the powers of the Board of Directors (except those powers specifically reserved by law to the Board of Directors) in the management and direction of business during intervals between Board meetings.

Compensation and Stock Option Committee:

(M.A. Cohen, J.T. Eyton, A.A. MacNaughton)

Reviews and approves compensation policies and practices and reviews and recommends to the Board the remuneration for directors and senior management of the Company. The Committee also administers the Company's stock option plan.

Environmental, Occupational Health and Safety Committee:

(C.W.D. Birchall, J.L. Rotman, R.M. Smith)

Reviews the environmental and occupational health and safety policies and programs, oversees the Company's environmental and occupational health and safety performance, and monitors current and future regulatory issues.

Corporate Governance and Nominating Committee:

(H.L. Beck, M.A. Cohen, A.A. MacNaughton, E.N. Ney)

Reviews corporate governance policies and practices. This Committee also reviews candidates for election as Directors, annually recommends to the Board the slate of nominees for election to the Board by the shareholders and recommends to the Board nominees to fill vacancies on the Board.

Finance Committee:

(C.W.D. Birchall, A.A. MacNaughton, G.C. Wilkins)

Reviews the Company's investment strategies, gold price hedging program and debt and equity structure.

Officers

Peter Munk
*Chairman and
Chief Executive Officer*

The Right Honourable
Brian Mulroney
*Chairman,
International Advisory Board*

C. William D. Birchall
Vice-Chairman

Angus A. MacNaughton
Vice-Chairman

Robert M. Smith
Vice-Chairman

John K. Carrington
President and Chief Operating Officer

Patrick J. Garver
*Executive Vice President and
General Counsel*

Alan R. Hill
Executive Vice President, Development

John W. Lill
President, Chilean Operations

Neil T. MacLachlan
Executive Vice President, Far East

Randall Oliphant
*Executive Vice President and
Chief Financial Officer*

Luis J. Baertl
*Senior Vice President,
South American Corporate
Development*

William J. Biggar
Senior Vice President, Investments

Alexander J. Davidson
Senior Vice President, Exploration

M. Isabel Mulligan
*Senior Vice President,
Investor Relations*

Kenneth G. Thomas
*Senior Vice President,
Technical Services*

M. Vincent Borg
*Vice President,
Corporate Communications*

Michael J. Brown
*Vice President,
United States Public Affairs
and Public Relations*

Louis Dionne
*Vice President,
Canadian Operations*

Gregory P. Fauquier
*Vice President,
United States Operations*

André R. Falzon
Vice President and Controller

James Fleming
Vice President, Communications

John T. McDonough
Vice President, Environment

Jamie C. Sokalsky
Vice President and Treasurer

David W. Welles
Vice President and Tax Counsel

Sybil E. Veenman
*Associate General Counsel
and Secretary*

International Advisory Board

The International Advisory Board was established to provide advice to Barrick's Board of Directors and Management as the Company expands internationally.

Honorary Senior Advisor
President George Bush
41st President of the United States

Chairman
The Right Honourable
Brian Mulroney
Former Prime Minister of Canada

Members
Senator Howard H. Baker, Jr.,
United States;
*Partner, Baker, Donelson,
Bearman & Caldwell*

Honourable Paul G. Desmarais, Sr.,
Canada;
*President, Director and Chairman
of Executive Committee,
Power Corporation of Canada*

Vernon E. Jordan, Jr.,
United States;
*Senior Partner, Akin, Gump, Strauss,
Hauer and Feld*

A. Andrónico Luksic, Chile;
Head of the Luksic Group

Peter Munk, Canada;
*Chairman and
Chief Executive Officer,
Barrick Gold Corporation and
TrizecHahn Corporation*

Karl Otto Pöhl, Germany;
*Senior Partner,
Sal. Oppenheim Jr. & Cie.*

José E. Rohm, Argentina;
*Managing Director,
Banco General de Negocios*

Robert M. Smith, Canada;
*Vice-Chairman,
Barrick Gold Corporation*

Corporate Information

MINING OPERATIONS

United States

Goldstrike Property:

Betze-Post Mine and Meikle Mine

P.O. Box 29
Elko, Nevada 89803
Donald R. Prah
Vice President and
General Manager
Telephone: (702) 738-8043
Fax: (702) 738-7685

Bullfrog Mine

P.O. Box 519
Beatty, Nevada 89003
David McClure
General Manager
Telephone: (702) 553-2900
Fax: (702) 553-2963

Mercur Mine

P.O. Box 838
Tooele, Utah 84074
Clayton L. Landa
Vice President and
General Manager
Telephone: (801) 268-4447
Fax: (801) 266-4296

Canada

Bousquet Mine

2 Bousquet Road
Route 395
Preissac, Quebec J0Y 2E0
Yves Fourmanoît
Mine Manager
Telephone: (819) 759-3681
Fax: (819) 759-3663

Doyon Mine

P.O. Box 970
Rouyn-Noranda, Quebec
J9X 5C8
François Biron
Mine Manager
Telephone: (819) 759-3611
Fax: (819) 759-3570

Golden Patricia Mine

P.O. Box 4000
Dryden, Ontario P8N 3J3
Brian Grebenc
Mine Manager
Telephone: (807) 928-2766
Fax: (807) 928-2817

Holt-McDermott Mine

P.O. Box 278
Kirkland Lake, Ontario
P2N 3H7
John Hafflidson
Mine Manager
Telephone: (705) 567-9251
Fax: (705) 567-6867

Chile

Barrick Chile Ltda.

Av. Pedro de Valdivia 100
Piso 11, Providencia
Santiago, Chile
John W. Lill, President,
Chilean Operations
Telephone: (56-2) 340-2022
Fax: (56-2) 340-2057

El Indio Complex:

El Indio Mine and Tambo Mine

Barrio Industrial,
Sitio No. 58, Alto Peñuelas
La Serena, Chile
Sergio Jarpa
General Manager
Telephone: (56-51) 20-2000
Fax: (56-51) 20-2800

CORPORATE DATA

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Auditors

Coopers & Lybrand

Toronto, Canada

Investor Relations

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Investor Relations
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Sandra Scott
Director, Investor Relations
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Canada and United States:
1-800-720-7415

Internet address:
<http://www.barrick.com>



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